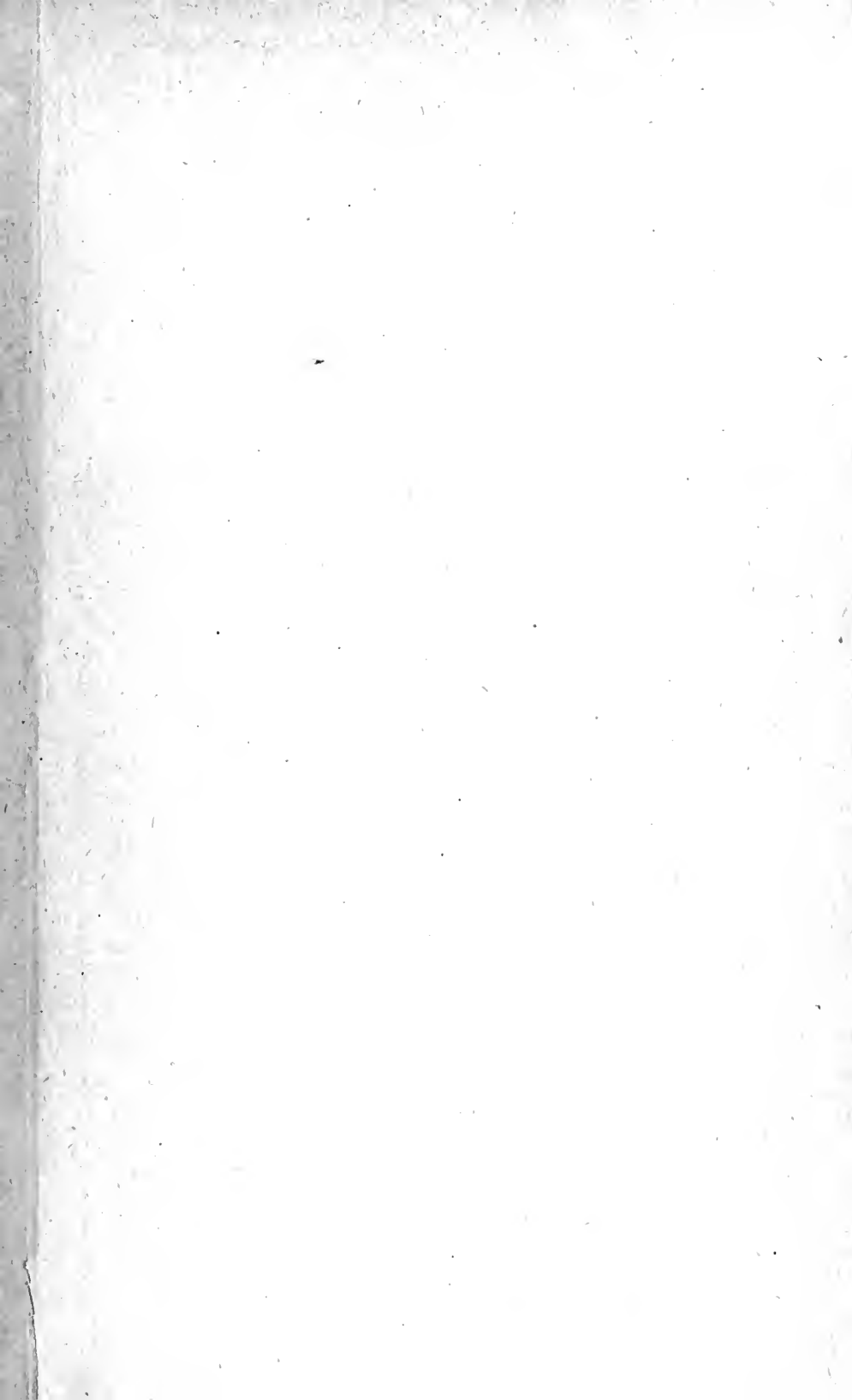
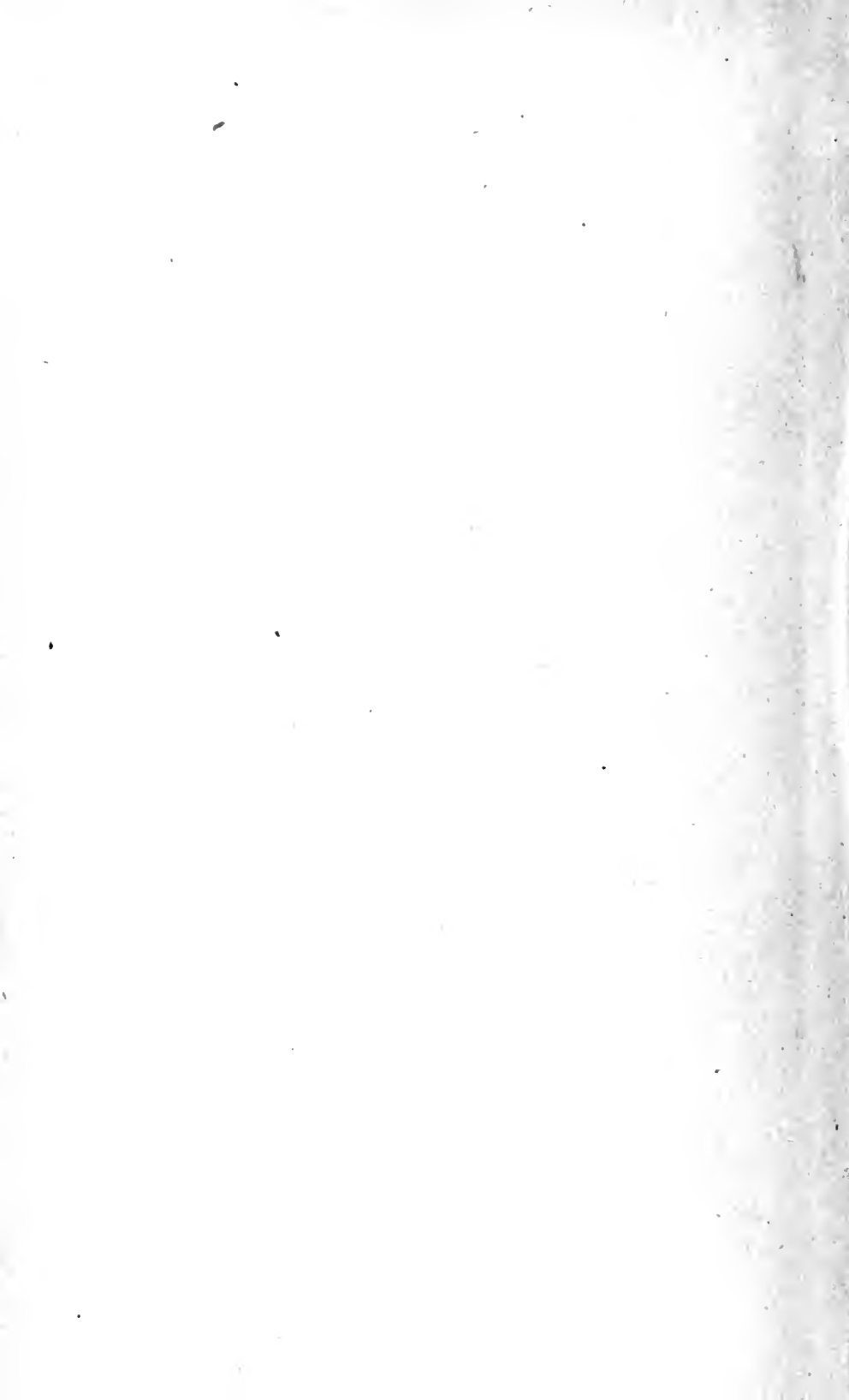


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SOCIAL ECONOMIST

A JOURNAL OF AMERICAN ECONOMICS

GEORGE GUNTON, EDITOR.

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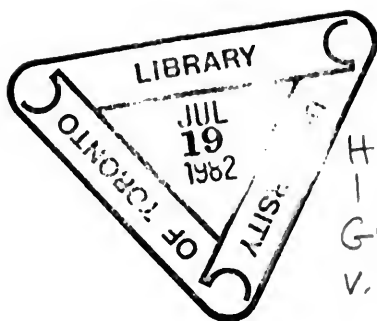
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SOCIAL ECONOMIST

JULY, 1894

The Gold Export and Its Dangers.

The supply of gold in the national Treasury is going down with startling rapidity. It stands now (June 19th) at only \$62,000,000, and is subject to an average drain of \$6,000,000 per week. The government's only means of getting it is to borrow it on long interest-bearing bonds. In short, the government is increasing its debt at the rate of \$100,000,000 a year, which if continued a sufficient number of years would place its bonds below par and bring its legal tender currency to a discount which would be expressed by a premium on gold. Not to borrow gold on its bonds would in a few months or weeks compel it to decline to redeem in coin the greenbacks presented at the Treasury by holders seeking coin for export, and the instant it should make this failure its greenbacks would be worth less than gold and gold would have reached a premium by another route.

The constant factor in the situation is that the government and the country are traveling toward depreciation in the greenback, to be expressed by a premium on gold. The only choice the government recognizes is between the slow route by borrowing gold on bonds, and the quick route by refusing. Some trepidation is manifested by the *New York Herald* lest the government may take the quick route toward a premium on gold rather than the slower one. But doubtless this expectation that the President, who is all there is of this administration, could consciously adopt a lively gait toward any goal, gives him too much credit. Whatever he does being in the direction of inertia, it may

be inferred that he will quickly issue bonds, in order to make our progress slower toward a depreciated currency and toward a gold premium.

The existence of the greenback issue, and the legal tender act, combine to make the government of the United States the sole debtor in the country who can be called upon by law to pay coin. The banks are not obliged to pay coin, because the legal tender law stands between them and all creditors. They are solvent so long as they pay in legal tenders. The government is only solvent so long as it can redeem its legal tenders in coin. Not only are the banks solvent on their notes so long as they can redeem them in legal tenders, but they are solvent also on their deposits so long as they can pay the depositors in legal tenders.

The banks, moreover, have large facilities for accumulating coin, and are accumulating it in considerable quantities, although upon the theory of the existing system they do not require it. The government requires it greatly, but has no other means of obtaining it than in receipt of customs duties or on the sale of bonds. This tendency of the banks toward the accumulation of a form of reserve not required by law shows their distrust of the existing law and their lack of confidence in its permanency. Their further determination not to receive silver on deposit, though the law as yet makes no distinction in legal tender quality between standard silver and standard gold, shows that the banks have agreed upon the proposition, as fundamental to their position, that they will transact business hereafter upon the monometallic basis of gold only, and their position is none the less law to them because it has not yet found its way into a statute, and perhaps could not constitutionally take the form of law.

The official Treasury estimate of the stock of gold held in the United States on June 1st, makes the total \$665,000,000. Of this the national banks hold in gold, gold coin, Treasury gold certificates, and gold clearing-house

certificates, according to the abstract of the condition of the national banks, as of May 4th, \$206,348,000. No reports are made of the quantities of gold held by private banks, savings banks, State incorporated banks, and American branches of foreign banks. The Treasury holds \$153,677,503 in gold coin, and adding this to the stock held by the national banks, makes the total of gold held by both \$360,025,503. Deducting this from the total Treasury estimate indicates an opinion on the part of the Treasury department that fully \$305,000,000 of our gold supply is in hands other than those of the government and the national banks, or about \$5 per capita for our whole population. It would be encouraging to know that half as much were to be found among these holders.

The significant fact concerning our financial situation is the complete indifference with which the law as it stands permits the national and private banks to look on while the Treasury is being drained of its gold, although the effect of the Treasury losing its gold entirely would be to cause a depreciation in the entire currency and bank credits in which the business of the country is done, to send gold to a premium, and to cause a general downward slide of our finances into a condition like that of the Argentine, Brazilian and Mexican.

It may not be easy to forecast how unprofitable or profitable such a condition of things might prove to be to the banks themselves, but no criticism their enemies could make upon them could be so severe as to charge them with consciously intending to involve the country in any such maelstrom of financial wreckage and submergence. It is not necessary, however, to charge them with consciously intending these evils, or planning them, since the banks do not regard themselves as sharing in the financial counsels of the government, or as being on any very frank or advisory terms with the men whose official positions make them the guides of the situation. Unfortunately, however, these very men, Cleveland, Carlisle and Hoke Smith,

Voorhees, Vest, Crisp and Gorman, all come into their several spheres of action in the government prepossessed by a theory that the government has no function but to look out for itself, and that the people and business interests of the country must look out for themselves.

They make no logical allowance for the fact that in the past the government of the United States, in placing its own government notes, in lieu of coin of gold and silver, between the debtors of the country and their creditors, and between the banks of the country and their depositors, has virtually made its own Treasury department the Atlas upon whose shoulders the business world rests. For it to practice *laissez faire* suddenly by withdrawing and saying, "Why should I hold up your currency and keep you out of bankruptcy by plunging deeper into it myself?" is to bring on a financial crisis, as ruinous to itself as to the people.

Yet it is in accord with the instincts of the present administration to do just this thing. It is exactly what Jefferson did in opposing the rechartering of the bank of the United States in 1811, what Andrew Jackson did in withdrawing Treasury deposits from the bank of the United States in 1834, and what Tyler did in twice vetoing the acts reorganizing the bank in 1844. "If my withdrawal of federal deposits will send ruin and bankruptcy throughout the United States," said Jackson in 1834, "it only proves that your bankers have made bad loans, and it is not my business to save bankers from the consequences of their own folly."

With the government cornered into the awkward position of being the only debtor bound to pay gold on its obligations, and with no power, such as the Bank of England possesses, of attracting gold by raising the rate of discount, and with a foreign demand for gold amounting now to \$1,000,000 per day, and with our gold revenue from customs duties shrinking by some \$70,000,000 annually as compared with what it has heretofore been, the

Treasury must borrow rapidly, often and continuously to live. It is a sinking yawl in which borrowing only bails out what the fissures in the bottom let in. Hence, to apply *laissez faire* and Democratic doctrines to this exigency is to sink at once.

The London *Economist* quotes the New York *Commercial Bulletin* as "explaining that the Treasury has to furnish the gold because the national banks have formally declined to supply any part of it, and it goes on to say that apparently they have taken this stand after careful deliberation, and their action may be taken as expressing a fixed policy to be maintained so long as the demand liabilities of the government remain so utterly disproportionate to its means of protecting them. The logic of the situation is briefly that sound money is essential to sound banking, and that if the government is authorized to issue currency, whose redeemability is inadequately protected, and is therefore threatening to our whole currency system, they are bound to protect themselves *and the public* against the dangers of such a policy."

This means that if there is to be a premium on gold and a run on the Treasury, the banks will best protect themselves and the public by joining in the run, hoarding all the greenbacks and gold they can, and pocketing the premium when it comes!

The crisis of 1893, though precipitated immediately by the tariff threat, was the first expression of the difficulties growing out of the existence of the government note issue, and of the rejection of coin as the ultimate medium of redemption in the United States. To have averted it entirely, there should have been a movement, as early as 1875, and at least concurrently with the resumption of specie payments in 1879, to either retire the government note issue or to have it assumed by the collective banks of the country, so as to convert it from a government note into the note of these associated and aggregated banks. This would place about \$3,800,000,000 of banking capital

behind every government note, and would put the aggregate banking system of the country in a condition to practice daily redemption of all bank obligations in specie. By utilizing gold and silver in a practical way, and supplying a means by which both metals would be brought into large actual use in business in all parts of the country, it would restore that utility of both metals which is viciously suspended by the attempted substitution of the government note for both as the final legal means of payment and the ultimate legal tender.

It is the substitution of the greenback for coin in our monetary system which has done more than the Latin Union, or the adoption of the gold standard by Germany, to discredit silver. It has pledged the whole monetary power of the United States to the work of dispensing altogether with both metals, and the effect has been felt wholly by the weaker metal. It would be opportune if in this conjuncture we could have the services of a Pitt, Hamilton, Gallatin or A. J. Dallas, but we simply cannot. Mr. Carlisle is a good man to sneer at a sham, but the long habit of performing this duty renders him impervious to constructive ideas. As Secretary he has projected nothing, and has failed to perceive the magnitude and grandeur of his opportunity. He is not in sympathy with the banking interests of the country, and utterly fails to perceive that an issue of notes which imperils the solvency of the government could be assumed and handled by the aggregated banks of the country in a manner as greatly to their advantage as to the public relief. The government would be rid of an unpleasant, critical and dangerous form of debt, and the business interests of the country would escape from an inflationist and fiatist means of redemption which does not redeem. The banks would then become the substitutes of the Treasury in furnishing gold for export, and the necessity of the government's increasing its debt when gold was wanted for export would wholly cease.

The Phantom Quality in Incomes.

What is income? If Lieut. Peary, by expending forty thousand dollars in fitting out an Arctic expedition which consumes three years, makes himself sufficiently in demand as a lecturer so that he can obtain forty thousand dollars by lecturing six months, what is his income for the purposes of a tax on incomes? Would not any tax laid on his income be simply a deduction from the fund available for his next Arctic expedition? Should the income tax rest on forty thousand dollars, on eighty thousand, or on nothing? A cotton factory, newspaper, or steel-rail mill devotes ten years to building up a trade, absorbing all the capital it can draw in and pay interest upon, from whatever source, uncertain all the time whether it is advancing to a fortune or to ruin; reinvests in plant and extension all it can spare from salaries and wages; is burned out several times and depends upon insurance for escape from bankruptcy, and finally by a lucky turn in the market makes a profit through an unexpected rise in its stock of goods on hand or on its real estate—is this lucky profit an income? If so, what is it if, before the tax has been paid, it is swept away by an unfortunate speculation in stocks?

Is money which comes to one by inheritance income? Is real property which descends to one income? Are all profits income, or only the annual excess of profits over losses and expenses? Is a happy speculation in wheat income? Is a lucky bet at the races, or a fortunate drawing in a lottery income? Is the portion of a merchant's sales which he invests in more goods, larger buildings or an expensive home income? Can the losses of previous years be balanced against the profits of this year in arriving at income? If a man marries a rich wife, is the fortune that comes to him, through her, income?

These are a few of the questions which may aid us in understanding why the presence of an income tax is so frequently spoken of as fruitful of prevarication, evasion and

perjury? The subject of income is an elusive and evasive one to reduce to any definite figures, unless one has but one means of income and that a fixed salary. The money which a man expends in support of his family is as truly one of the conditions on which he can transact business, as the money he pays for the rent of his store, or as his taxes themselves. But if all the conditions on which a man does business are first to be deducted, then not only rent and living expenses, but salaries of employees, advertising, commissions and all other expenses must first come out, before net income is reached. And if rent and living expenses should first come out, then if one, to stop paying rent, buys a residence and pays the whole price, such price should, as the capitalization of his rent, also come out.

In short, it is not only difficult but impossible to draw a hard and fast line which shall distinguish gross income from net income, recoupment on previous losses from present income, beneficial accidents from income, casual profits of speculation from income, conditioning expenses from income, illusory and ultimately profitless investments from income, and so on.

If a man own realty from which he derives a rental of five thousand a year, but within the year the selling value has declined ten thousand dollars, has he had any income whatever? If he got no rents, but the property has risen in value, is this rise income?

If no man can satisfy his own mind on such a point, it must always be difficult to satisfy that of a public officer. And where the terms that exist for the statement of facts are necessarily vague and indefinite, as all terms relating to income, losses, values, profits, investments, etc., must be, it is a vicious system which sets people to making affidavits couched in these shifting and illusory terms, as the means of determining how much taxes they are to pay. Income being largely an intellectual conception rather than a physical fact, the effort to tax it upon any principle of equality or justice becomes illusory.

Rather than soil the statutes with such an unclean law, inspired by motives so mistaken and socially malignant as those which have led to the advocacy of the income tax at the present time, it would be far better to restore the duty on sugar to the point where it would yield fifty million dollars a year. The duty on sugar would incidentally protect the cane and beet sugar culture, but this by-effect is so subordinate to its revenue function that the duty ought to meet with slight objection either from the party now in power or from its opponents.

A Putrid Police.

The Lexow investigating committee proves to be the most important political event of the year and probably of the decade. It brings to light a condition of moral rottenness on the part of the police of the city of New York which has not been surpassed since the temples of the heathen religions which preceded Christianity were found to have been given over to social pollution in a manner to convert them into pest houses of debauchery, and the sacred oracles sold their prophecies for bribes in the interest of conspirators and criminals. The details of the nefarious traffic which has been carried on by the New York captains of police, sergeants and patrolmen, aided by the district leaders of Tammany Hall, are sickening and appalling. They convict our police system of being rotten through and through. They show that all its powers of physical coercion, brute intimidation and evasion of justice are concentrated upon the single aim of making the vice and degradation of the city a means of profit to the pretended administrators of justice. The estimated revenue derived by the officers of the police and the leaders of Tammany Hall from their systematic protection of crime is already seen to have been not less than ten million dollars a year.

The world's history records no system of brigandage so revolting, or so despicable. Every minute amplification

of the facilities for immorality and debauchery has borne fruit as a distinct source of profit to the prostituted officers of the law. Beer, sold without a license, bore its fruits of corruption in a rental value for police immunity, if only ten or fifteen dollars a month. If dispensed by girl waiters the blackmail rose to fifty dollars a month and five hundred in advance. If rooms were attached the bribes were per room. If there were no side rooms, but only a lounge in the beer room, the price of immunity to vice fell one half.

And yet this investigation has only begun. District-Attorney Fellows complains to the committee that all the prisoners in the Tombs are begging to get before the committee. The worst is not yet known. Only the officers and agents of Parkhurst's society know what deeper horrors still wait to be told. In the narration of these, in the interests of public decency even the doors of Tweed's court building would have to be closed, and the reporters of the newspapers excluded.

Of the two men who are officially and practically responsible for this state of things, the one, Governor Flower, vetoed the bill to investigate, on the ground that no investigation is necessary, and that the city government of New York is one of remarkable purity. The other, Croker, chief of the Tammany organization, has run away from the inquiry and from political life.

The hired attorneys of the iniquity are not in good form. Civil Justice Roesch rushes in to free himself from suspicion by swearing circumstantially to his own guilt. DeLancey Nicoll does not venture to inquire who has coached these witnesses that they tell their story so well. Ex-Surrogate Ransom cannot cross-examine them with effect. They all admit that they have no character, but nobody doubts that the substance of what they say is true.

This police stench, in its reeking grossness, has converted the odor of all former political sins in the city of New York into delicate and grateful fragrance, something between musk and bergamot. Sweeney and Oakey Hall

become saints, gentlemen and public-spirited patriots in contrast with Hock, Brennan and Roesch. Tweed built our only good public building, Sweeney laid out our only good park, Oakey Hall had his good points.

Barnard, Cardozo and McCunn also were all high-class and high-priced men compared with the creeping spawn into which Lexow has run his toasting fork. They confiscated a railway, but they did not become partners in bagnios. They did not go from gin mill to gin mill taking bribes in handshakes, and counting the money in the street as soon as they got out of the doorway.

Poor old Jacob Sharpe, too, the good, public-spirited Jacob, intent on giving Broadway what it most needed and now enjoys, a surface railroad! He was a philanthropist of a high order. He presented a few recreant aldermen with the means of seeing the true merits of the road in a clearer light than if nobody paid them but the objectors. He was hounded to his grave as a corruptionist, but his work was of great value to the public.

All the technical breaches of propriety over whose commission the sensitive conscience of New York city has grieved have become stainless as the lily, fresh and sweet as the blossom of the flowering pea, compared with our present moral catastrophe. Lightning has struck a cess-pool of such dimensions that all minor fragrances become imperceptible. The world for a while will smell of nothing but the New York police.

If the Havemeyers, at Washington, were as frank, fearless and willing witnesses as these brothel-keepers of New York, would our national politics appear at any particular advantage in comparison with our city police? Is any other game going on between the Sugar Trust and the administration than that of levying blackmail and paying for protection? The administration owes its existence chiefly to the half million dollars contributed by the Sugar Trust toward its election? In like manner every New York policeman owes his badge to the contributions and efforts of those

who mean to practice crime under cover of the police protection which they buy, and pay for in contributions to the campaign fund.

The same gross atmosphere of conscious corruption oppresses Washington as New York. At both capitals, the commercial and the federal, the favor of the leading instruments through which our national and city governments are carried on has been bought and paid for before they were installed. The campaign services and contributions which resulted in their election, furnish the key to their messages, vetoes and recommendations.

Nor does the evil spread merely over the New York police and the national presidency. The same party machines which have plunged both these departments of politics into their present gross swinishness, have molded the other elements of our administrative system, and have virtually appointed our judiciary.

In all the courts of the city of New York the judges owe their judicial positions to the same political organization which has manipulated the police into its present condition of worse than Turkish or Chinese corruption. Before the Lexow committee closes its investigation it should find out whether the salaries of these judges were raised to \$17,500 and their term extended to fourteen years in order that Tammany Hall might levy contributions on them of from \$25,000 to \$75,000 each time they are nominated, as the price not of their election, which comes without effort, but of their nomination. The statute requires them to state all expenses incurred by them in procuring their election. But the contribution charged them by Tammany Hall, as the condition precedent to their nomination, is not an election expense. It is an expense of nomination only. If the common gossip of the city as to the sums levied on the best of these judges by Tammany Hall, as the condition of their nomination, be true, then it is only a question of time when corruption will break out among them as evidently as it has attacked our police. If all this gossip is

untrue, the public impression that Tammany Hall blackmails our courts, and makes the covenant to pay blackmail a condition precedent to the nomination of our oldest and best judges, should be dispelled by absolute disproofs.

It is not the feeling of our community that the judges of our courts of record are corrupt. But it is the feeling of the larger and better portion of the bar that the pecuniary exactions levied upon prospective candidates for judicial positions by the rascals who conduct the corruption system which centers in Tammany Hall, are so large and so much in the nature of purchase and blackmail that the class of men most needed on the bench, viz., men of sensitive integrity and great learning and independence of character, decline to submit to them. In this way our courts are emasculated of the highest judicial virtue. The bench is filled by routine and superficial lawyers who are lacking in judicial grasp, and who dispense judicial decisions as favors to make friends. So much is the inevitable consequence of machine politics to the present moment. Its future, unless the system is speedily mended or ended, will grow worse.

At Washington, as well as in New York, the festering evidences of corruption should be probed to the uttermost. All the more vigorously should this be done if the investigation leads directly up to the national committee and into the White House. The Havemeyers and Searleses refuse to answer how much their contributions toward the election of the present administration were, or whether such contributions were the bribe which insured the influence of Cleveland in behalf of the interests of the Sugar Trust, and where the compact was made and with whom. They inform the committee that contributions of half a million dollars to elect a President, as well as the bargains and motives which lead up to them, are private transactions, not open to public investigation. Let there be the same rigid scrutiny as was made, under a Republican administration, into the celebrated order of President Grant stopping the sales of gold and its relation to the Black Friday

crisis of 1869. Let us have the facts as promptly from the sugar kings at Washington as from the wretches of Essex and Delancey Streets. If the millionaire declines to testify, let him go to jail for contempt as promptly as the Tombs rounder. In this way the country may come to learn that it did not overthrow a slave oligarchy to be ruled by a paltry nest of sugar dealers, and that it still retains some of the elements which go to make a land worth living in.

The Light is Spreading.

Few people are so thoroughly wrong-headed, or exercise such mischievous influence in social affairs, as those who rely upon other-world powers for a knowledge of this-world economics. An illustration of this has just been furnished by Mrs. Besant, who has just returned from India newly charged with mahatma information regarding modern sociology. It will be remembered that Mrs. Besant was the wife of an English clergyman, but becoming disgusted with the Christian religion, she turned atheist, and joined Charles Bradlaugh in the editorship of the famous *National Reformer*, organ of English secularism. Like most people who lack the scientific sense and the logical faculty necessary to study the history of social development and the order and sequence of economic and social phenomena, Mrs. Besant caught the socialistic fever. This led to her separation from the secularist movement in England. Though the Holyoke-Bradlaugh type of secularists rejected theology and Christianity, they were too rational to adopt social paternalism. They are, at least, consistent enough to reject any theory of society which calls for a surrender of individualism.

After drifting for a time toward social superstition, Mrs. Besant floated into the arms of Madame Blavatsky, and then into the fold of ancient theosophy. As an atheist, she warred against all existing religious and political institutions. As a socialist, she denounced the wealthy and demanded a redistribution of the social wealth among the

poor. More wealth for the masses, was her cry. But under the influence of the Hindoo religion, and the special teaching of the mahatmas, she has become an advocate of poverty.

In a recent lecture in London advocating her new social gospel of simplicity and poverty as the great elevating and purifying condition for humanity (for other people), she says:

"The great bane of the Hindoo is the copying of Western customs. I have laid much stress on the maintenance of the various national costumes, and of the Eastern methods and customs of living as against the Western. I urged them to follow the Indian simplicity of material life, instead of the costly and more luxurious Western habits. The great hope for India is to recover the spiritual basis of life. She has become materialized through Western ideas, and it has been my object to bring her back to her old simplicity of habits and to her old spirituality."

Mrs. Besant is not entirely alone in holding this benighted notion of social elevation and perfection. We have occasionally met others who, after securing for themselves a good supply of the modern luxuries in high-wage countries, join in the dreamy admiration of the simple, plodding, superstitious, despotic, ten-to-twenty-five-cents-a-day civilization.

It is encouraging, however, to know that when Mrs. Besant returned to London as a prophet of a ten-cent-a-day civilization, her mahatma revelation was not received at the premium she had put upon it. Dr. Helen Densmore, one of the editors of *Natural Food*, a London journal of hygiene, takes Mrs. Besant to task in the light of modern economics,¹ as follows:

"Although the mahatmas are not known to mix in public assemblies, and to make definite contributions to human knowledge, we have a right to take it for granted that they keep abreast of the times, and are familiar with

¹ *Natural Food*, May, 1894.

the latest scientific discoveries. Mrs. Besant urged her students to return to Indian simplicity in material life, and to renounce the costly and more luxurious Western habits. The history of England since the thirteenth century, and especially during the last hundred years, throws a white light on what comes from the habits of life in India, on the one hand, and the method of life adopted in our manufacturing Western nations, on the other. Professor Gunton, in 'Wealth and Progress,'² very conclusively demonstrates that the methods and customs of living of the masses are at the very foundation, not only of material prosperity, but of education, enlightenment, and morality as well. Poverty is shown to be synonymous with ignorance and crime. It does not matter to what nation we may refer, we find enlightenment and morality in those classes of society that have wealth; we find ignorance and immorality distinguishing those classes that are in greatest poverty. India has been noted for the poverty of its masses for centuries, and an idea of the public mind there may be gained from facts like the statement following:

"If the laborer is unable to pay his debts, he or his wife and children if he has any, become the property of the creditor, and, by this means, in many places, a large portion of the laborers have become slaves.' (Buchanan's 'Journey through the Countries of Mysore, Canara, and Malabar,' Vol. II, pp. 10-11.) . . . 'According to this remarkable code (the 'Institute of Menu,' still the basis of Hindu jurisprudence, and which, according to Buckle, was drawn up about 900 B. C.) a *sudra* (laborer) has no rights that any superior is bound to respect. For the slightest offense to a Brahmin he can be cruelly tortured or put to death. For him to read, or even to listen to the reading of the sacred books, is a most heinous crime, visited by terrible penalty, and he is expressly forbidden to attempt to accumulate wealth.' (Buckle's 'History of Civilization,' Vol. I, pp. 56-57.)

"One hundred years ago, laborers in Great Britain were comparatively as poor and degraded as they are in India to-day. By coming into contact with more complex social conditions these laborers began to demand a higher standard of living, more and better clothing, better houses, better furniture. As soon as these wants became automatic, these laborers demanded an increase in wages sufficient to

² Macmillan : London, 1890.

meet the wants. The expenditure of these moneys made a market for manufacturers, which laid the basis for mercantile, banking, and commercial prosperity. The greatly increased production of goods rendered the use of steam manufacturing possible, and hence much more wealth began to be produced than is possible in the Indian method of simplicity of life and hand-work production of wealth. All those interested in human progress will do well to consult Professor Gunton's book, and see what the history of factory life shows has been done for the English working classes during the last fifty years. The great reduction in crime and pauperism, as well as in the use of alcoholic drinks, the increased proportion of children attending the public schools, and of adults being able to read and write, are very surprising and very satisfactory. Measurably this class of English people was as careless of human life a hundred years ago as India is now, and plainly for the reason that at that time their method of life, like that of India then and now, was crude, or simple, as Mrs. Besant calls it, and which she so strongly urges the people of India to conserve. And there is abundance of evidence to demonstrate, if I had space, that if the people of England could be persuaded to return to the crude or simple methods and customs of living which prevailed a century ago, they would also return to the ignorance and wretchedness then rampant, from which conditions the working classes have so largely, and in so far happily, emerged."

The "Gresham" Law.

In political economy, the name of Sir Thomas Gresham stands irrevocably associated with the principle that when two classes of coins of one denomination, the one class pure or of standard metal, and the other class debased or so alloyed as not to be worth its face, are given by legal mandate the same efficient value, the purer money will be driven out of circulation or exported, and the more

debased will circulate in its place. This principle is doubtless part of a still wider law that dearer tools will not be used to perform a function which can as well be performed by cheaper; and, indeed, of the still wider law, applicable to all values, that people will not pay more for that which they can get for less.

The fullest account of Sir Thomas Gresham now extant is that by J. M. Burgon, entitled "Life and Times of Sir Thomas Gresham," in two volumes, published in 1839. It shows that he was a merchant (1519-1579) and financial agent in succession for Henry VIII, Edward VI, Mary, and Elizabeth. He was the founder of the Royal Exchange, London, and of Gresham College. He was an adept in obtaining grants, a courtier, and a crown servitor, of a questionable order in some respects, yet a commanding financier of broad views. His college was remarkable, among all projected institutions of learning, for the originality and force of its conception. His purpose was that it should teach astronomy, geometry, physic, law, divinity, rhetoric, and music—in short, all the useful applied arts, omitting the classics, languages, logic, metaphysics, and the very core of the prevailing curriculum. The founding of the Royal Exchange was the first step toward making London the center of the world's finance. Throughout Burgon's elaborate work there is no mention of the "Gresham law." It is devoted to detailing a career like that of Astor, Peabody or Rothschild. Lord Brougham, in his book of English Worthies, writes fully of Gresham, but does not mention the Gresham law. Burgon prints as an appendix the letter to Queen Elizabeth, entitled "Information touching the fall of the Exchange," which is reprinted by Lavelaye in Hildebrand's *Jahrb. f. Nat. Oek. N. F.*, 1882, and is cited by Cossa and others as the source of the "so-called law of Gresham," as Cossa styles it.

This letter shows that an abasement of the coin from six ounces fine to three ounces fine had caused an export of fine coin from the realm. In stating this fact, Gresham

implied the law. He says it would have been impossible for him to restore the rate of exchange, had he not been permitted to suppress the privilege granted to a limited monopoly known as the Stillyarde, of importing certain kinds of merchandise into England at much lower rates of duty than were paid by other subjects importing like goods. His mode of restoring the rate of exchange was to rescind the privilege of importing at low duties, and to induce among merchants importing and exporting, a general raising of duties. Thus he restored the credit of the government, and brought coin of pure metal again into the Treasury. It is not expressly taught in this letter that the fineness and purity of the coin must be restored as a condition of bringing it again to par, but the history of the period shows that the sovereign, which in the reigns of Henry VIII and Edward VI (1546-1553) had sunk from 240 grains to 174 6-11 grains, was in fact, in the reign of Mary, restored to 240 grains, and made current for 1*£*10*s*. This, after all, left 240 grains to do duty as a pound and a half instead of a pound. This was the period of Gresham's influence, and the event may possibly have been due to his wisdom; but in this letter he seems rather to boast that he has brought the coin of the realm to par by other means.

We print so much of his letter as contains the doctrine:

"INFORMATION OF SIR THOMAS GRESHAM, MERCER, TOUCHING THE FALL OF THE EXCHANGE, MDLVIII."

"To the Quenes most excellant majestye."

"Ytt may please your majesty to understande, thatt the firste occasion off the fall of the exchange did growe by the Kinges majesty, your latte ffather, in abasinge his quoyne ffrome vi ounces fine, too iii ounces fine. Wheruppon the exchange fell ffrome xxvi*s*. viii*d*. to xiii*s*. iv*d*., which was the occasion thatt all your fine goold was convayed out of this your realme.

"Secondly, by the reason off his wars, the Kinges majestie ffell into greatt dept in Flanders. And ffor the paymentt therof thay hade no other device butt paye itt by exchange, and to carry over his fine gowld ffor the paymentt of the same.

"Thirdly, the greatt ffreadome off the Stillyarde and grantinge of licence ffor the carringe off your woll and other comodites ought off your reallme, which is now on off the cheffest pointes thatt your majestie hathe to

forsee in this your comon well ; thatt you neavir restore the steydes called the Stillyarde againe to ther privelydgc, which hath bine the cheffest poynte off the undoinge off this your realme, and the marchants off the same.

"Now, for redresse off thes thinges, in an. xvcli. (1551) the Kinges majestie, your latte brother, callide me to bee his agentt, and repossid a more trust in me, as well ffor the paymentt off his depttes beyond the seas, as ffor the ressyngc off the exchainge,—beinge then at xvs. and xvis. the pounce ; and your mony corrantt, as itt is att this presentt, beinge nott in vallew xs. First, I practized with the Kinge and my lorde of Northomberlande to overthrow the Stillyarde, or else ytt coulde nott be brought to passe, ffor thatt they would kepp downe the exchainge by this consideration ; wher as your owne mere marchantes payeth outwards xivd. upon a cloth custome, thay paye butt ix d. ; and like wisse, ffor all such wairs as was brought into your reallme, your own mere marchantes payeth xiid. upon the pounce, the Stillyarde payd butt iiid. upon the pounce, which is vs. difference upon the hundreth ; and as they wear men thatt raine all upon the exchainge ffor the byenge of ther comodytes, whatt did thay passe to give a lowar price then your owne marchantes, when thaye gotte v. in the hundreth by your custome ; which in processe off time woude have undone your whole reallme, and your marchantes of the same."

The remainder of the letter expresses a strong desire that the rate of exchange be kept up, and that to this end exemptions from duties be abolished ; but does not advise a retirement of the over-valued coinage or the substitution of a new coinage having an actual value equal to its par. The letter was evidently a business letter, and in due time its logical purpose was carried out.

Miss Elizabeth Lamond shows, in the *English Historical Review* for April, 1891, that in about 1549, John Hales, in a work entitled "English Dialogue," had made a very clear statement of the law, which Sir Thomas Gresham, nine years later, more nearly assumes as a fact than states as a doctrine.

Hales might have arrived at his statement through familiarity with the classics. The law is stated in Aristophanes' fable entitled "Frogs," in a most artistic manner. It seems to have been so familiar and trite to the ancient mind, that it was even used to illustrate the analogous fact that in democracies, and under the system of popular elections, bad men drive out the good in the chase for office, very much as, under the law now attributed

to Gresham, bad coins drive out the good. As translated by Frere, Aristophanes says:

"Often times we have reflected on a similar abuse
In the choice of men for office and of coins for common use ;
For your old and standard pieces, valued and approved and tried,
Here among the Grecian nations and in all the world beside,
Recognized in every realm for trusty stamp and pure assay,
Are rejected and abandoned for the trash of yesterday ;
For a vile, adulterate issue, drossy, counterfeit and base,
Which the traffic of the city passes current in their place."

This little gem, coming down to us from the period of the highest development of Greek thought and art, shows that the period of Sir Thomas Gresham could only in this respect restore an ancient thought. It could not originate. Sir Thomas Gresham sufficiently apprehended the delicate principle in the movements of commerce with which his name stands indelibly associated to deserve the niche in which history has placed him. Yet nearly two thousand years earlier, in Greek thought and life, the same idea was common as a proverb—so common as to be borrowed for the secondary use of explaining why, in the social fabric of democracies, cheap and weak men are preferred for public office to those who are both able and honest.

Contributed.

Correspondence on all economic and political topics is invited, but communications, either for private use or for publication, must bear the writer's full name and address, and requisite postage must be inclosed for return of manuscripts or answers to communications. The editor is responsible only for opinions expressed in unsigned articles, and reserves the right to criticise freely views presented in signed articles, whether invited or not. Typewritten manuscripts preferred.

Socialism Versus Protection.

GEN. WILLIAM F. DRAPER, M.C.

I have never been able to understand why the leaders of labor organizations in this country are not universally protectionists. These organizations have as a main object the improvement of the material condition of their members, and while some men doubtless obtain leadership in such bodies merely by denouncing and criticising employers, knowledge of real conditions is necessary to manage these institutions as well as others successfully. To have an opinion on this question of protection they must know three things: (1) Whether wages are higher in this country than abroad; (2) Whether the cost of living is higher here than abroad, and (3) Taking wages and cost of living together, whether the laborer is better off here than abroad, and substantially what the difference is. Comparisons of wages paid in various trades, market reports of prices of products, and statistics of savings banks and pauperism are, or ought to be, well known to these gentlemen, and the personal experience of many of them on both sides of the water would naturally serve to emphasize this knowledge. The fact that laborers come here from foreign countries for employment instead of going abroad from here to seek it, is also an important fact in this connection.

The statistics of Col. Carroll D. Wright show that, averaging a large number of trades, the American workman receives seventy-seven per cent higher wages than the foreign workman in similar vocations, and that the

cost of living in the average family, rent, provisions, clothing and other necessary items included, averages twenty per cent higher here than there. This leaves a margin of more than fifty per cent between the purchasing power of a laborer here and of one in England, an advantage to the mechanic and laborer here over his foreign brother of more than one-half in securing the comforts and higher opportunities of life. Now, the price received for an article must in the long run limit the cost of that article, as no one will or can produce it continuously at less than cost. Cost is made up of material (which may be the finished product of another industry), labor, and general expenses, such as power, rent, heat, light, taxes, insurance, depreciation of plant, etc.

The inducement to produce any given article lies in the difference between this cost and the selling price, which may be termed interest or profit. The two terms are not synonymous, economically speaking, but they may as well be classed together for the purpose of this discussion, because in these later days the average difference between the cost and selling price of a year's production of our shops and factories exceeds but little, if any, the average rate of interest on money borrowed. Repeating this classification more briefly, the prices of articles continuously produced include material, general expense, labor and profit. The two former items must be paid for if business is to be carried on, and the balance must be divided between the last two—labor and profit. The proportion of this division is a question of great importance, but I am unaware that any census or other public investigation will throw light upon this point. I made some personal inquiries covering a broad field two or three years ago, the results of which were printed in a magazine article, and though somewhat commented on, have never been questioned to my knowledge. From the want of more extensive data, I shall reason from the facts then ascertained, being satisfied that the proportions shown in this

limited investigation are not far from those averaged by our manufacturing industries taken together.

I selected forty manufacturing companies paying dividends in Boston and Fall River, Mass., embracing the principal cotton and woolen manufacturing companies in the State, and including all of such dividend paying companies as maintained the same capital for the ten years previous to January 1st, 1892. The principal Lowell, Lawrence and Fall River mills are among the number. The dividends of these companies for ten years averaged \$2,367,191 per annum, and their annual pay-roll was \$16,672,426 outside of superintendence, book-keeping and selling expenses. The selling value of the stock of these companies was less on the first of January, 1892, than it was on the first of January, 1882, so that there was no accumulation of profits beyond dividends paid, taking all the companies together.

It appears from these statistics that the amount of wages paid as compared to the amount of dividends paid was as 7.04 to 1. In other words, the total dividends paid by these corporations were only fourteen per cent of the amount paid in wages, and if wages had been fourteen per cent higher, other expenses remaining the same, there would have been no dividends, and no interest on the money invested in the business. The salaries of officers and clerks, and the selling expenses and commissions, which are really payment for services, are difficult to ascertain, but I am informed that in the cotton manufacturing industry they amount to substantially fifteen per cent of the wages paid. Assuming this to be correct, the proportion of payment for service by these companies, including what is generally termed wages and the salaries above stated, would bear a relation to dividends of 8.10 to 1, so that an increase of twelve per cent in the cost of all these services would leave no interest for capital invested. The percentage of dividends to wages is higher in corporations like those named, that have large plants in buildings, machinery, etc., on which interest

must be paid, because such corporations have a larger investment of capital per hand employed than those in other lines of industry. I have figures from three companies manufacturing shoes, all representative and prosperous concerns, whose names I am not at liberty to give, but whose figures are vouched for. These three concerns pay in wages \$1,100,000 per annum. Their average dividend is less than \$90,000 per annum. The proportion of wages to dividends is therefore as twelve to one; if the wages had been 8.33 per cent higher, there would have been no interest on the capital invested. If the cost of supervision, accounts and selling is the same in proportion to wages for these concerns as for the others (and in my judgment it is not materially different), the amount paid for services as compared with the amount paid for profit would be for this business as fourteen to one. It may be well to note here that all these figures are based upon the business of prosperous years between 1882 and 1892. During years of depression like the present, the proportion of wages to profit is very much greater, as profits become substantially nil, and wages, though lower, must be paid if production continues.

It would be exceedingly interesting to carry this investigation further and into all lines of business; but it will suffice for the purpose of this article to make the apparently safe assumption that the average proportion of wages paid to dividends received is that indicated by the detailed statistics furnished by the forty companies under consideration, or seven to one. Free traders would not admit that manufacturing profits abroad, particularly in England, our greatest competitor in manufacturing, are larger than here. That would fully and finally dispose of their stock argument that protection exists solely for the benefit of manufacturers of protected goods. If English manufacturers make more under free trade than American manufacturers under protection, and American workmen make more under protection than English workmen under free trade, there

is very little hope of inducing this country to change its policy. Our workmen have the votes, and they are surely not likely to vote to make themselves worse off for the benefit of their employers. On the other hand, my individual knowledge of foreign business and observation of dividend reports leads me to the view that manufacturers' profits there are not less than here. More and larger fortunes have been made in that line in England than in this country. Calling profits, however, the same in proportion to labor there as here, we have, as the net results of business on both sides of the water, seven dollars paid to labor to one dollar to capital. If interest and profits were abolished, therefore, and business could be carried on as before, with the cost of supervision and accounts unchanged, the English workman would receive \$1.14 where he now receives one dollar, and the capitalist would be eliminated from the land. If the labor of supervision, account keeping and selling participated in the division, the gain of the mechanic and operative would be even less. Such results are impossible of attainment owing to the constitution of human nature, but they are the utmost that can be imagined from trade union or socialistic success. The change, it is evident, would not make the English laborer as well off by about thirty-three and one-third per cent as the American laborer is under present conditions. The American laborer is now more than fifty per cent better off than his English brother, while the English laborer, if given all the margin of English production, would only be fourteen per cent better off than now. Therefore, as said before, the American workman with his present share of production is one-third better off than the Englishman would be if socialism were carried out, profits and interest confiscated, and production under such circumstances kept up to the present level.

The protective tariff is the barrier that keeps American wages higher than English wages in similar avocations. Lower or remove that, and at the same time the present

difference in the condition of the two peoples would be lessened or abolished.

Absolute free trade, by bringing our prices to the level of English prices, will bring our labor to the level of English labor. After that is done, if it ever is done, the only possible gain to the American laborer by the absolute destruction of private ownership in the instruments of production would fail by a very large margin to bring him up to his present standard of comfort and independence. I do not think it possible to abolish private property, or interest and profits, and at the same time retain the present amount of production and civilization. I believe that the present captains of industry furnish to the general fund more than they receive from it rather than less, and that a successful attempt to destroy profits would carry us rapidly backward to barbarism. For the sake of the argument, however, I have admitted a possibility that does not exist, and shown, I think, conclusively, that continued protection is worth more than three times as much to the American laborer as a complete appropriation of all the share of production that now goes to capital would be. This proposition is at all events worthy of his careful study.

Before closing, I will express the opinion now held by many economists and legislators, that the hope of the improvement of the condition of the laborer in the future, as well as of the material progress of society, lies mainly in larger production and consumption of useful commodities in proportion to the population. Labor-saving machinery, cheaper transportation, and improved organization of industry will continue their beneficent work, if we do not by unwise legislation kill the goose that lays the golden egg. These forces are at work in England as well as here, though perhaps to a less extent. The English laborer, however, is now fifty per cent behind the American in comfort and opportunities. The question for the American is whether he shall maintain his present start in the race, or voluntarily relinquish it.

Proportional Representation in Cities.

PROF. JOHN R. COMMONS.

For several years the tendency of changes in city government has been to deprive the aldermen of power and to bestow it upon the mayor. This reform movement has advanced far enough in many cities to enable a fair judgment to be passed upon its merits. Without doubt it has brought improvement. It has centered responsibility and simplified politics. But as a solution of the hard problem of city government, rule by mayors is proving a failure. At first it seemed to succeed. Reform mayors were elected. But soon the politicians discovered the new fortress of power. In every city having the "federal system" they have captured the mayor.

The key to municipal reform is not the mayor but the aldermen. The mayor is a single officer. In a campaign there is but one to be elected. Necessarily, therefore, the contest narrows down to two candidates, and two powerful "machines," equally corrupt, are pitted against each other, with no refuge for the elector except to vote for one of the two, or throw his vote away, or stay at home. But the aldermen are many. There are at least twenty to be elected. If voters could combine upon candidates throughout the city, regardless of ward lines, instead of a majority of the voters being necessary to elect a single candidate, only, say, one-twentieth of them would be able to do so. If the number to be elected were larger, of course the smaller would be the fraction of voters entitled to a representation. Under the present system of electing aldermen by wards there is no chance for independence any more than in the election of mayor. The ward elects a single alderman. The political machine controls the nomination. Men are nominated who will serve as willing tools. Their success in the election depends upon their adroitness and subservience to those organized interests and factions which hold the balance of power. The mass of intelligent and busy

voters have no more influence on the result than they have on the politics of Asia. They are disfranchised, not by law, but by the system. Let ward lines be abolished, elect aldermen on a general ticket for the city at large, apportion the successful candidates among the different political parties or groups of voters in proportion to their popular vote, and the board of aldermen will become an able, experienced, honest and deliberative body of law-makers. Power can be entrusted to them, the mayor will become their agent, and the modern elective despotism will disappear as a curious relic of the failures in representative institutions.

It needs but a simple device to bring about this reform in harmony with present political habits. Proportional representation, like any other invention in mechanics or politics, is of course a matter of experiment and growth. I am not advocating those crude forms of minority representation which have been tried in England and America. "Cumulative" voting in the election of school boards in England and the election of the lower house of the Illinois legislature has many advantages over the single-membered districts. But cumulative voting is crude and wasteful. It is too easily manipulated by the machine. The same is true of the "limited vote," which is being tried in Boston, where, with say five candidates to be elected, each elector is entitled to only three votes. This secures an arbitrary representation of the minority. Proportional representation as adopted within the past two years in the Swiss cantons of Ticino, Neuchatel and Geneva, for both cantonal and municipal elections, is a marked advance over these earlier schemes of minority representation. The American Proportional Representation League, recently organized at Chicago, with Hon. Wm. Dudley Foulke as its president, has published a plan modeled closely after that of the Swiss cantons. According to this plan political parties or groups of voters equal to one per cent of the electorate may put in nomination a ticket or list of

candidates containing as many names as they choose, up to the total number of aldermen to be elected. At the polls every elector has as many votes as there are aldermen to be elected. His votes count primarily for tickets and not for individual candidates, but he may indicate his preferences for individuals on the ticket for which he votes. Should he scatter his votes among the individual candidates on different tickets, a vote for a candidate counts as a vote for the ticket in which the candidate figures, and any unexpressed votes are attributed to the ticket for which he votes as a whole or for which he has given the largest number of candidate votes. The returning officers determine first the number of votes given to each ticket; and the proportion which this vote bears to the total vote indicates the number of elected aldermen to which each ticket is entitled. The successful candidates are discovered by taking those on each ticket who have the highest number of individual votes up to the total number of candidates to which the respective tickets are entitled.¹

It will be seen that this plan is eminently fair. It gives representation to all elements in exact proportion to their popular strength. There are no wasted nor ineffective votes. Under the present system, even should a full vote be polled, fully thirty to forty per cent of the votes are cast for defeated candidates and can therefore have no influence on municipal legislation. And when it is known that one-half to two-thirds of the qualified voters absent themselves from aldermanic elections, it can be plainly seen that our cities, so far as aldermen are concerned, are governed by one-sixth to one-fourth of the voters. With the proportional plan, almost every man who votes will find a candidate of his choice elected to office, and his influence will therefore have its rightful weight in legislation. Thus there will be no ground for absenteeism. There will be no

¹Details and comparisons with other plans can be learned by correspondence with the secretary of the American Proportional Representation League, Mr. Stoughton Cooley, 22 Fifth Avenue, Chicago, Illinois.

hopeless minorities. Citizens need not be politicians in order to be represented and have a citizen's influence. The power of the political machine and the "boss" will be thoroughly undermined. Through the provision for nominations by petition the machinery of the caucus and the convention loses its prestige. A group of independents seeking pure government can combine throughout the city, irrespective of residence, and can place their ticket before the whole people with the full assurance that every vote cast for it will be effective in returning one or more aldermen. Here is an incentive for voting.

It needs but little thought to show that this plan would marvelously transform the character of aldermanic bodies. Where now is inefficiency, corruption and subservience to bosses, candidates would be elected because they have opinions and stand for something in municipal policy. Such men, too, would be re-elected again and again without any effort on their own part. There would be no factions in their wards holding the balance of power and sure to be disgruntled by failure to secure spoils, but every alderman would stand before the entire city on his own merits. He would necessarily be well known instead of an obscure heeler in a petty ward. Continued experience would give him a knowledge of municipal affairs and a capacity for progress impossible under a system which compels rotation in office. With such a body of men in control of the purse and the policy of the municipality there would be no more need of the mayor's autocracy. The ablest men of the city would be continually members of the council. The best elements of the city would have their due weight—a thing impossible in the case of a mayor who owes his place to the machine and its bosses. We should expect, indeed, as soon as the reform was comprehended, that a majority of the aldermen would be elected by the conservative and upright citizens. They are a majority of the voters to-day in every city. But they do not rule because the system outlaws them.

Hegel on the State.¹

LESTER F. WARD.

Much has been said by the modern admirers of Hegel about the importance of his political and social philosophy, and especially his treatment of the state, but owing to his difficult style and the want of a good translation, his books have been practically sealed to all but a few Hegelian philosophers. This little volume is therefore of great value in supplying this deficiency. It aims to select the most important parts of Hegel's "*Philosophie des Rechts*" and other works bearing on the ethics of the state and of the body politic. The translation is doubtless excellent, but for this very reason a large part of it is absolutely unintelligible to any but trained Hegelians. Considerable portions are given in the form of abstracts, in which the author has made them as clear as the case would permit. In doing this, however, Hegel's views have been unconsciously modernized, sometimes amounting to anachronism, as where he is represented as condemning "agnosticism"! Upon the whole the English, and especially the American reader, will probably be disappointed with Hegel's doctrines. After making all allowance for the time at which he wrote, there is nothing in them that can be considered profound, original, or even important. A great thinker, such as Hegel is claimed to be, should at least say something that would be suggestive and contain germs capable of development. One would expect prophecies that the subsequent history of the world would have fulfilled, or that would be in process of fulfillment in our day. We find nothing of the kind.

In the first place, the bulk of the matter consists of long, tedious passages, clothed in the most abstruse metaphysical language, which, though grammatical in construction, express to the ordinary reader no thought whatever.

¹ The Ethics of Hegel. Translated Selections from his "*Rechtsphilosophie*," with an Introduction. By J. Macbride Sterrett. Boston. Ginn & Co. 1893.

Prof. William James, the eminent psychologist, who certainly ought to understand Hegel if anyone can, says of them:

"It is a fair question whether the rationality included in them be anything more than the fact that the words all belong to a common vocabulary, and are strung together on a scheme of predication and relation—immediacy, self-relation, and what not—which has habitually recurred."²

I several times turned two leaves by mistake and observed no incongruity, and on discovering the error was still unable to see that it made any difference in the sense, if sense it can be called. The following is an example taken quite at random:

"In this manner, *ethical substantiality* comes to its *right* and this right gains its *realization*. For the self-will and independent conscience of the individual, which existed as for itself only and produced an opposition against the concrete ethical life, disappear, when the ethical character recognizes as its motive and end the unmoved universal that has been reduced by its determinations to actual rationality; and when this ethical character recognizes its value, as well as the persistence of particular ends, as being grounded and having its actuality in this determined universal." (Page 143.)

But scattered through the book in the midst of this lingo, and apparently without any logical connection with it, there are numerous intelligible propositions. These express Hegel's views on the various questions treated. If they could be culled out of the other verbiage and published by themselves, this would reduce the amount of matter about ninety per cent, and although they would then only constitute a miscellaneous collection of heterogeneous and incoherent statements, they would not as now be buried under a mass of unintelligible rubbish. A brief glance at some of these, extricated from this mass at considerable labor, will indicate the drift of Hegel's thought.

² Principles of Psychology, Vol. I, p. 264.

He very distinctly propounds the doctrine of a social organism.

"The state is an organism, that is, it is the evolution of the *idea* into all its differentiations or different forms or organs of itself. . . . This organism is the political constitution; it proceeds eternally from the state, as also the state maintains itself through the constitution. If the two fall outside of each other; if the two sides become free from each other, there is no longer that unity posited which the constitution as an organism produces. Here the fable of the stomach and the other organs finds its application. For it is the nature of an organism that if its parts do not all merge into unison of activity; if one posits itself as independent, all go to destruction."

We thus gain a clear idea of what he means by the "organism," but it is difficult to understand what the "organs" represent. They do not seem to be the individual members of society, as in Spencer's social organism.

With Hegel everything is an undecomposable entity and all entities are endowed with "spirit," as the translators all have it, although it is doubtful whether the German word *Geist* is always correctly thus rendered. He speaks of the state possessing "abstract actuality or substantiality," and says that "this substantiality itself is the self-conscious and self-willing spirit, as having passed through the form of culture and education. Hence the state knows what it wills, and knows it in its universality as something thought." Further he says: "The state is the actuality of the ethical *idea*; it is the ethical spirit as the manifest substantial will that is fully self-cognizant, and that thinks and knows itself and realizes what it knows and in as far as it knows." If all this has any meaning, it is to endow the state with far higher attributes than will be conceded to it by mankind at large. In fact, it is usually looked upon as nearly or quite unconscious of itself, acting according to the impulses of the moment much as animals are supposed to do, *i. e.*, living exclusively in the present,

whereas the intelligent individual man lives chiefly in the past and future.

A few of Hegel's views on some of the important questions growing out of man's relation to the state may be profitably stated. He concedes man's right to subdue and utilize nature. Animals have no "right" to life, and man may rightfully deprive them of it. Savages and barbarians have no right to their lands and may be justly dispossessed of their territory by civilized nations. Slaves have no rights, and slavery is not condemned. Classes in society are a necessity, and it is everyone's duty to be contented to remain in his class. The existing state is the true state and there should be no attempt to reform it. On this point he quotes approvingly the French Bourbon dictum, *Le plus grand ennemi du bien c'est le mieux*. Law must be exclusively prohibitory. Punishment for crime is necessary and should be administered for its own sake. He inveighs against the now-accepted doctrine that the object of punishment is to deter from crime, and has no conception of the more humane ideas current in our day as to the relation of crime to disease. Marriage is not a civil contract, and should not be legal unless solemnized by religious ceremony. The best form of government is the constitutional monarchy. Suffrage should be restricted to representatives of definite interests organized under the commonwealth. Although everything is done by the *Weltgeist*, still heroes and great men are necessary. Religion is the foundation of the state. The translator has carefully excluded Hegel's views on the relation of the church to the state, because they would be unpopular in this country. The states of the world are distinct autonomies, and the idea of their ultimate union into a cosmopolitan nation is discountenanced.

It will be seen that all this is perfectly commonplace. The world has already outgrown most of it. It seems to be simply putting the seal of his approval on everything that actually existed in his day. He evidently believed

that mankind had attained in Germany in the first quarter of the nineteenth century the highest estate that philosophy could prescribe. One is perpetually surprised at the smallness of the results achieved through such heavy muffled blows. The mountain labors and brings forth a mouse.

There is one way of explaining the sterility of Hegel's philosophy of the state which does not convict him of mental imbecility, and this even his friends ought to welcome. This explanation is that he was an astute time-server. If there were no historical testimony in support of this view, the internal evidence of his writings would furnish, to say the least, a strong suspicion of its correctness. The fact alone that everything that then and there existed was pronounced altogether as it should be and that all attempts at reform were condemned points clearly in this direction. And then we know that he held a high university chair dependent upon the will of the sovereign. The church, too, was all-powerful, and the least attack upon it would have been fatal to his position. His thorough-going libertarianism was sweet to the prevailing religious sentiment. His coarse notions of punishment, only opposed by the more humane determinism of later times, fitted in well with the spirit of the age. His numerous flings at Catholicism would, he knew, be pleasing to the clergy, as would those at France and the French revolution to the ruling classes. His condemnation of Rousseau's education of nature would be agreeable to the German state educationists. His defense of social classes would tickle the princes and nobles. His hero-worship, though logically inconsistent with his *Weltgeist*, would accord with popular opinion and national pride. For the rest, his ponderous *Wortkram*, which was intended not to be understood, would, he correctly reasoned, be mistaken for erudition and profundity. His "Rechtsphilosophie," whatever may be said of his other works, appears therefore to have simply been a shrewd and successful piece of toadyism.

But it is possible to carry a policy of this kind too far.

Times may change, and what was safe at one period may become dangerous at another. We are therefore not surprised to learn that "Hegel, inasmuch as he advanced his system early in the century, when an absolute or paternal despotism prevailed throughout the greater part of Europe, was generally considered by all liberal-minded people not only as an advocate of conservatism but of despotism. His doctrine was in truth a double-edged sword. To-day a king might rule absolutely, and on the morrow a popular rising might dethrone him and send both him and his adherents to the guillotine. That revolution would then exist and be as rational as the overthrown despotism. It was not very long before the reactionary parties denounced Hegel's philosophy as revolutionary, while it was strongly advocated by the radicals."⁵

Fichte, who tried the same tactics, was at length castigated by the church and insulted by the populace, and was only allowed to resume his chair on condition that he would make his "Absolute Ego" equivalent to God. But Hegel, with Fichte's case fresh in his mind, seems to have steered clear of these disasters and kept on the winning side of all questions. His true rank is therefore that of a successful politician.

⁵ G. Koerner in the *Open Court*, February 22, 1894.

Current Economic Review.

PROF. GEORGE GUNTON will sail for Europe on the fourth day of July and will remain in England and Scotland during July and August. He will return to the investigation of English agricultural and manufacturing conditions, with which his early life rendered him familiar, in the light of the changes which have there occurred during recent years. Probably something of the results of his inquiries may appear in the SOCIAL ECONOMIST for August and September. He will report these conditions as he finds them, comparing them with our own progress during the same period. He will give attention to the relative standard of living of the wage classes in the two countries, their opportunities for cultivation, refinement, leisure, association and progress. In this work he will have occasion to investigate the relative conditions of all classes, but particularly of the working classes, as to rents, wages, prices, modes of work and of rest and recreation, and their attitude toward politics, co-operation and social reforms. Confining his labors to this field, he hopes to make his brief sojourn near the present center of the world's manufacturing and banking, social and industrial energies a means of immediate interest and entertainment to the readers of the SOCIAL ECONOMIST and to the students and lecture audiences at the School of Social Economics.

THE COMMENCEMENT exercises of the School of Social Economics were held in the lecture hall, Thursday evening, June 21st, before a large and enthusiastic audience. President Gunton made the opening address and also presented the diplomas, sixteen in all, to the graduates. Orations were delivered on "American versus English Economics," by Miss Mollie Bright Luck; on "Protection," by William Dolge; on the "Origin and Influence of the Factory System," by Philip I. Schick; on "America's Position in Civilization," by Alfred W. Levi; and on

"The Political Duty," by Herman Gottlieb. All the speakers ably and earnestly advocated the principles of social economics. Rev. Charles H. Eaton, D.D., of the Church of the Divine Paternity, delivered a brilliant, inspiring and eloquent address to the graduates. The exercises were significant of the helpful and elevating influence of the philosophy taught by the school, and were pronounced by many thoughtful critics in the audience as altogether of a higher order than any that they had attended elsewhere.

WOMEN ARE coming to the front as economic authors in a manner to put the tyrant sex squarely on its humility. Elsewhere in this number we show that Mrs. Green has surpassed her late husband in originality of research and power of historic elucidation in the domain of English industrial history. And now Miss Simcox has published a work (Swan, Sonnenschein & Co.) on "Primitive Civilizations, or Outlines of the History of Ownership in Archaic Communities," in which an important economic work is performed. She surveys the history of ownership in the three great seats of archaic civilization, Egypt, Babylonia and China, in a manner which draws from the *London Times* the comment that "it is a contribution to economical and social history of exceptional value and importance which displays much patient and laborious research, keen insight, and rare powers of interpretation and generalization."

AS AN EVIDENCE of how eagerly the English manufacturers are watching for the success of the Wilson bill, the president of the Iron and Steel Institute of Great Britain, in presenting the Bessemer gold medal for 1894, according to the *London Times'* report said: "We might well look anxiously around for markets for our products and employment of our workmen. Great hopes, however, are entertained that the tariff laws in America will be so modified as to enable us to resume delivery of iron and

steel to that country." Now this is precisely what the present bill is intended to accomplish. It is what the administration desires. But is it what the American people want? Are our laborers or merchants or farmers to be benefited by a change which distinctly transfers to another country manufactures employing immense capital and many thousands of laborers, and furnishing a market for numerous other domestic products?

THE PHILADELPHIA *Press* of June 11th contained fifteen columns filled with advertisements of sheriff's sales under execution, involving 214 distinct parcels of land, mostly homes and improved properties, all in Philadelphia. We do not understand that these include any of the foreclosures of mortgages also going on at this time, but only the sales upon execution for one week. Add to these the foreclosures, and then reflect that this state of things is paralleled all over the country. It will readily be seen how rapidly the properties of the many are passing over into the hands of a few. This occurs under the influence and auspices of a socialistic administration whose chief at the outset announced his high purpose and special mission to be to check the undue concentration of the wealth of the people in the hands of monopolists. He began by attacking the manufacturing industries of the country, in the alleged interest of the consumers of their commodities. Now the work of assault and destruction has moved outward and onward until it has assumed the proportions of a national crevasse.

THE PLAGUE or pestilence which has visited Canton and Hong Kong makes its advent simultaneously with the startling announcement that sixty thousand persons have died of it. The veracious correspondent of the *New York Herald* who sends us our first account of this plague sends five or six radically contradictory versions of it. He says it is almost precisely like the great London plague of 1665,

that it begins with rats and fowls and proceeds thence upward to human beings, that it causes dancing or spasmodic processioli of these lower animals, and that it is due to rat-eating. It causes rats to come forth in vast numbers from underneath buildings and wharves and to stand up like squirrels and kangaroos on their hind legs, and in this attitude kick, go through violent contortions, and in a few moments expire. Thence this St. Vitus' dance attacks poultry, swine, birds, horses and finally the human race. The London plague had no such antecedents or symptoms. Either the Chinese plague does not attack the rats first and then ascend gradually to human beings or it bears no sort of resemblance to the London plague. Nor was the London plague due to the extent to which rats were eaten by the English.

THE CONSTITUTION adopted at the recent election in Hawaii, and since promulgated, excludes from the suffrage all who cannot read and write either the English or the Hawaiian language, and requires as the property qualification for voting for a member of the lower house that the voter own at least \$200 worth of property, and to vote for a senator the voter must have \$4,000 worth of property or an income of \$600. The senator himself must have property worth \$5,000 above all incumbrances and a net income of \$1,800 a year. There is also a property qualification for members of the House of Representatives. The President appoints the judiciary and all the officials except the members of Congress. Besides the Senate and House of Representatives, the Congress seems also to include as a third house the advisory council, or cabinet, whose members are in part elected by the other two houses and in part appointed by the President. Doubtless the constitution aims in the first instance to vest the political power primarily in the 11,000 residents of American and European birth or race, aided by so many of the native Hawaiian population as can read and write their own or the English

language and have acquired \$200 worth of property. About a third of the population are Chinese and Japanese, who may become voters by acquiring a knowledge of the English and Hawaiian languages, many of them having far more than the required property qualification. The tests imposed all have their precedents among the American States, and were probably framed expressly to avoid the charge that the constitution is not republican.

WE WELCOME the aid of the New York *Herald* in calling attention to the need of a general reconstruction of our banking system and currency. In its issue of June 18th it very truly and wisely says:

A reconstruction of our banking and currency system in the near future is inevitable.

The present paper circulation is heterogeneous and inelastic—as demonstrated by the existing congestion and consequent expulsion of gold—and that portion of it furnished by the national banks must disappear with the extinction of the public debt.

Yes, the currency must be simplified and made elastic, but the people will not stand amateur pottering with it. Currency is the very life blood of trade, and any disaster in it is attended with dreadful consequences. Last summer's panic, resulting from a doubt as to the ability of the government to maintain the currency on a gold basis, was a terrible illustration of this truth.

Questions affecting currency are the most delicate, complicated and important with which legislators have to deal. This is so universally recognized that it is the custom of governments to intrust proposed legislation affecting it to a commission of experts, who patiently and studiously consider the matter in all its bearings for months or even years before recommending action.

In the SOCIAL ECONOMIST for August, September and October, 1893, are a series of articles setting forth the need of, and the best plan for, reconstructing the banking and currency system of the United States. The *Herald* is late in getting around to the subject, but in view of the sovereign importance of keeping up with the base-ball, athletic, cricket, racing, yachting, cycling, canoeing, polo and coaching seasons the wonder is that the need of a new banking system did not escape it altogether. We welcome its accession to the ranks of thoughtful journalism, and if

its sporting editors shall not preempt all its space for the year to come, we shall trust to be favored with its own plan of reconstructing our banking system.

STATE TROOPS HAVE been called out to suppress riotous demonstrations in connection with the coal strikes in Colorado, Illinois, Ohio, Pennsylvania, West Virginia and Alabama. The marvel is that battles of the first class have been so long avoided where so many elements of friction concurred to make collision of large numbers and in a fierce way at many points probable if not inevitable. The latest movement of troops on a large scale is that in Pennsylvania where two regiments of infantry and a troop of cavalry are ordered to the scene at the Walston mines in Jefferson county. The Colorado tactics of using the troops to prevent the strikers and the sheriff's deputies from coming to a fight with each other, and the Illinois tactics of letting the mines be burned first and sending troops later on, will not be available in Pennsylvania. In the Walston difficulty the function of the troops will be to secure immunity to an imported force of laborers, taking the place of a dispossessed force said to be heavily armed, very bitter in their animosities and ripe for rough fighting. All this comes as the sequel to the campaign song of '92,

"Four years more of Grover.
Then we'll be in clover."

UNDER THE facilities afforded by the Swiss referendum, the socialists recently called for a submission to popular vote, in the Canton of Berne, of the chief and most generally accepted of the socialist doctrines, viz., that a man left by circumstances without employ has a right to employment from the state. The constitution requires any question to be submitted on the application of 50,000 citizens, and in this instance 52,000 signed the demand. The socialists have at all times been allowed to teach their doctrines freely, the vigilance of the government applying only to

the anarchists and forcible revolutionists. The socialists of Berne include also many men of unusual eloquence and ingenuity, refugees from other parts of Europe. Hence the government of Berne had been led to overestimate the strength of the socialists, and looked forward to the ordeal with some apprehension. To their surprise the socialists were defeated by nearly four to one, the vote being 293,000 against the right to work, and 75,000 in its favor. And yet we suppose that, had the question been taken on the moral right of one who has no work, and can get none, to be fed, clothed and housed by some department of the state, the vote would have been nearly unanimous in its favor. Nearly all states having conditions of free labor and a proletariat class recognize the right of unemployed and suffering persons to relief from hunger, and to shelter and clothing. The feeling is that the recognition of the right of the suffering to be fed, clothed and sheltered by the state is not as disorganizing in its social effects as the recognition of the right to be employed.

THE ROYAL COMMISSION on labor which has been sitting in England for three years past, has examined 583 witnesses, issued sixty-five Blue Books, and has closed its sessions by unanimously approving the following "nine points of reform," viz.:

1. Voluntary board of conciliation and arbitration.
2. A stronger labor departmental board of trade.
3. An inquiry into the state as employer.
4. No overtime for minors in dressmakers' and other trades.
5. Laundries to come under factory acts (56½ hours a week).
6. Legalization of peaceful picketing.
7. Certificates of fitness to be required from owners of all workshops, bakehouses, etc.
8. Sailors' wives to draw half their husbands' pay fortnightly.
9. Advance of money by the state to build laborers' cottages.

The labor movement in America has already secured the passage through many of the State legislatures of laws establishing State boards of conciliation, and State labor statistics bureaus, covering the field of the two first of

these demands. The "legalization of peaceful picketing" seems to be something like what the present coal strike has developed into active practice in Colorado, Illinois, Indiana, Ohio, Pennsylvania and Alabama. The "advance of money by the state to build laborers' cottages" finds its nearest analogue in the United States in the advance of land by the state, under the homestead laws, to actual settlers, with a later exemption of the cottage from liability even in some cases for the debt incurred in building it. Society in America comes to the help of the individual in many ways which have come to be accounted purely republican and not at all socialist. We have common schools, but we do not have common tables as the ancient Greeks had, nor a common tillage of land and division of harvests, such as occurs in the Russian *mir*. The American people are most familiar with two examples of the state as an employer of labor. One comes to them through their Bible-reading. It is the case of Egypt in the period of Joseph and Moses. In the first of these periods, the state, as a reward for rescuing the people from famine, became the owner of all their lands. In the second, the effect of this state ownership was the universal enslavement of labor. The other instance of the right of labor to be employed is in the case of the native American Indian. His services belong to his tribe, and his tribe's food and shelter and raiment are his. But notwithstanding his claim on his tribe is so large in theory, in practice his food, shelter and raiment are very scant.

HON. THOMAS B. REED's interview with an English visitor, in the *Fortnightly Review* for June, assumes as economic data (1) that the value of silver in the home trade of China and India, to pay wages and buy products, is as great as ever, and (2) hence, that the depreciation in the European and American price of silver has the effect to pay the Hindoo ryot more silver rupees per bushel for wheat, which still goes as far per rupee as formerly in

domestic trade; and hence (3), that the depression in silver acts as a bounty on the export to England from India of those agricultural products, chiefly wheat and cotton, which most directly compete with American farm and plantation crops. Hence (4) the United States, as producers of wheat and cotton, are brought into a collision of interest with England on the silver question, which can best be adjusted through our tariff powers, by raising the import duties on manufactured goods against such countries as pursue a course tending to depreciate silver.

Mr. Reed holds that "cheap silver is an effective stimulus to Asiatic exports, and this being the case we have got to consider silver and the tariff not as two issues, but as one."

This statement of the question comes upon the country very much like Mr. Blaine's argument before the Committee of Ways and Means, that reciprocity and a policy of widening our foreign markets must accompany protection. It has stirred up a good deal of criticism and provoked any amount of comment, which in the seaboard States of the Atlantic coast is probably more adverse than favorable. It embodies the truth that the silver question is one of the questions that needs to be dealt with. If a tariff discriminating between different countries is to be again resorted to, as it was prior to 1816, as a means of coercing foreign powers, there are probably far more persons in the Atlantic States who would vote for using it as a means of restoring our ocean merchant marine, than would vote for employing it as an agency in behalf of silver. In restoring our merchant marine it would be very effective. But silver—is an awfully deep abyss.

American people have been hitherto so divided among themselves upon silver that it would seem an ungracious course to coerce foreign nations in a matter upon which we had never been able to make up our own mind. In the Paris conference of 1867 the American influence was hostile to silver. So is that of Wall Street to-day.

The Editor's Drawer.

This department is devoted to answering questions of fact or theory. Although we do not regard ourselves equipped to answer all questions that may be asked, we shall willingly give whatever information we possess, provided the inquiries are made in good faith; to guarantee this, we ask that all communications be accompanied by the full name and address of the writer. Correspondents complying with this condition may be assured that their communications will receive attention, and if they are not answered in the next issue, they may assume that it is either through want of space, or that time is needed to get accurate information. Anonymous communications will receive only waste-basket attention.

What Determines Price.

MR. GEO. GUNTON.

DEAR SIR: I beg to ask how you explain the following: You say the cost of wheat is not regulated in Liverpool, but by the cost of producing the dearest portion of the necessary supply. How is it that the ordinary common nail, in the manufacture of which we produce more than enough to supply the American market, and by that reason our product and not the foreign product regulates the price? So with wheat, so with corn, so with any article, I care not what; where we supply the market, or substantially so, our product and not the foreign product regulates the market. Take agricultural implements: we supply the home market—more than that, and hence our price and not the foreign governs. Now, suppose we supply the home market with wheat this year and more than that, will not our price of wheat govern? If it applies as to nails, agricultural implements, sewing machines and farm wagons, I fail to see why it should not apply to wheat?

H. RICHARD OSTROM.

21. Ans. Mr. Ostrom has evidently failed to grasp the principles of differential cost which he states in his opening sentence. Our theory is that when the market is a world market, then it is the dearest portion of the world's supply that exercises a controlling influence on the price. The fact that we produce more of a given article, say wheat, than we use in this country, does not make the

American product determine the price. It is only when the American product is the most expensive portion that this will be the case. When the wheat crop failed in Russia two years ago, we produced enough to supply our own market and export large quantities; but the Russian crop determined the price all the same, and hence American farmers had immense profits. Mr. Ostrom, therefore, is entirely wrong in his confident assertion "that whatever is produced in this country in sufficient quantity to supply the home market, necessarily determines the price." It only can do so either when the market is limited to this country, or when we furnish the dearest portion of the world's supply. It matters not whether it is corn, agricultural machinery, or anything else, this principle will hold. We refer Mr. Ostrom to the articles on prices in the February and June numbers of the SOCIAL ECONOMIST for further light on this point.

Shorter Working Days on Farms.

HOME MARKET CLUB, BOSTON, May 4, 1894.

PROFESSOR GEORGE GUNTON,

DEAR SIR: I have read with great interest your last lecture on the shorter working day. While much that you say meets my unqualified approbation, I desire to ask you how you think the shorter day would work among farmers? The necessities of farm work require a long day. I know, because I was brought up on a farm. As I understand it, there are more people engaged in farm work than there are in all mills and mines. The farmers complain of the great difficulty in getting labor at any wages which they can afford to pay, on account of the high wages, and especially the short days of labor, in what the Democrats tell them are the "protected industries." If you make the working day shorter, the difficulty of the farmer is increased. I should say that your reasoning, which may be very conclusive as to the labor in mills, did not take into account the work on farms. I wish that more of the workmen who are not steadily employed in cities could be induced to settle upon farms. It would be better for them, and better for the general prosperity of the country. If

they could be so induced, the benefit to labor would be greater everywhere than by shortening the day. I hope, if you have not carefully studied this phase of the question, you will do so, and give the country the benefit of your profound thinking upon it.

ALBERT CLARKE.

22. Ans. Mr. Clarke's letter voices the sentiments of a very large class on the question of shortening the working day. It is true farmers complain that laborers will not work for as low wages as they used to. For this we are very glad. Wages are a part of the cost of farming, and if the farmers could get the laborers to work at half the pay they now do, they would be no better off. They would simply be forced to sell their products lower. In the South labor is disgracefully low, and farmers are even poorer than in the West and East. It is a radical mistake to think that farm wages must be low in order to make farmers prosperous. That is the English notion, which must be killed as rapidly as possible. Mr. Clarke says, "If you make the working day shorter the difficulty is increased." This is what manufacturers, merchants and mine-owners have said for ninety years. But it is not true. The more primitive the methods of farming, the less feasible is the shortening of the working day, because the farming is more exposed to the accidents of weather. In proportion as machinery is introduced into farming this difficulty is eliminated. Machinery reduces agriculture, like manufacture, to the control of economic conditions.

Nor can we agree with Mr. Clarke's "wish that more of the workingmen not steadily employed in the cities could be induced to settle upon farms." We do not think that "it would be better for them and better for the general prosperity of the country." If it were true that low wages and long hours were necessary to successful farming, and laborers should be drawn from the cities to farms, then the whole standard of living and tone of our civilization would be lowered. We believe nearly the opposite of this is what is to be desired; the social development, in-

telligence, skill and inventions, higher standard of living, and rise of civilization generally. Every country gets its chief impetus from cities and manufacturing industries. That is why this country has progressed so much more rapidly since it came to be a manufacturing country. Instead of driving the masses to the lands, we should encourage the development of manufactures and trade; instead of encouraging the conditions that shall make farm wages low and working days long, we should seek to extend the high-wage influence of the cities to the farms. Farmers must look to the use of improved machinery and large farms for profits, not to long working days and low wages. That is the curse of the South. Nothing will give us social decency and political freedom in the South but the extension of higher wages and a higher standard of living and shortening of the working day, which means a general higher civilization among their laborers. Then they will begin to have machinery and other modern conditions.

Although it is somewhat difficult to enforce a rigid limit to the working day on the farms, especially where most primitive methods are used, it nevertheless would be an immense social, economic and political advantage wherever applied. If it is possible to limit the working day to twelve hours on the farm, then it is possible to limit it to ten or to nine. All that it needs is a resolute public opinion to indorse the demand and to make it a custom, and, if necessary, supported by law. We cannot see how farmers could be put to greater disadvantage by it than any other class of employers. If their laborers would work twenty-four hours a day and work for nothing, as soon as this became generally established farmers would be no better off. They would simply be compelled to sell their products that much cheaper. The farmers all know that they get no pay for their running streams, summer's sunshine, winter's snow, or any other gratuitous source of their crops. Neither would they for gratuitous labor.

The plea that farmers cannot afford it is the ante-bellum plea "that slave-holders would be bankrupt if slavery was abolished." The laborers' condition should always be the first consideration. Prices are governed by the cost of production. Wages are part of that cost. If all farmers had to pay higher wages for a while, farm products might be a little higher, but the whole civilized community would have to pay it, and the world would be better for it. We could then have, as we are now actually having, cheap products by the aid of improved methods, which is the only way low prices are ever beneficial.

Banking and Currency.

UNIVERSITY OF WISCONSIN, MADISON, Wis., May 18.

PROFESSOR GEORGE GUNTON.

DEAR SIR: The following questions have been submitted for our annual joint debate:

Is our present national banking system and independent treasury preferable to a consolidated national bank with branches in the principal commercial centers of the country, which bank shall be the fiscal agent of the government, and shall have the sole power to issue bank notes; adequate security for all notes issued, general supervision of the bank and the power of taxation by the government being conceded?

Interpretation:

(1) No city of less than seventy-five thousand inhabitants shall be considered a commercial center.

(2) Fiscal agent shall mean the power to hold on deposit, receive and disburse government funds and negotiate loans.

Will you kindly advise us (1) as to which side of the question is the stronger? (2) Do you consider it wise to abolish our independent treasury? (3) Would the history of the English, Scotch, Canadian and American banks tend to strengthen the support of the negative. (4) Which side of the question does our banking history favor? (5) Would a centralized system of banks as upheld by the negative be better in time of commercial crisis than our present system? (6) Can you refer us to any material bearing on the question?

E. R. BUCKLEY.

23. Ans. (1) The negative side of the question is decidedly the stronger, because it is in line with true scientific banking.

(2) Our independent treasury system should and must be abolished in any wise reorganization of banking.

(3) The history of the English, Scotch, Canadian and American banks would show evidence strengthening the negative.

(4) Our early banking history is in favor of the negative.

(5) A centralized banking system would be incomparably better than the present system in time of commercial crisis.

(6) For material bearing on this subject, we recommend the following:

Original American sources of information on this question are A. Hamilton's "Letters on the Bank of the United States"; "The Documentary History of the Bank of the United States," 1834; "Reports on the Bank of the United States in Congress," 2 vols., 1834; A. Gallatin's "Considerations Concerning Currency," 1832; Colwell's "Ways and Means of Payment"; Poor's "Money and Banking"; Carey's "Essay on Money"; "Reports of Pan-American Conference on an International Bank," and the articles on "History of Bank of United States," "With and Without a Government Bank," and "Path to Safe Banking and Currency," in August, September and October numbers of the SOCIAL ECONOMIST. European sources of information are Gilbert's "History of Banking"; Alison's "Essay on the Crisis of 1837"; "The Testimony of the English Bankers before the Royal Commission on Banking in 1833-36"; Chevalier's comments on American banking in *Amerique du Nord*.

The article in the SOCIAL ECONOMIST for October, 1893, on "Path to Safe Banking and Currency," contains the outline of a practical scheme for the reorganization of our banking system which should be specially studied.

Economics in the Magazines.

Under this head we only call attention to the articles, in the current magazines, on social and economic questions, giving the point of view or method of treatment and other items that will serve as a guide for readers and students.

BIMETALLISM.—*Giffen's Case against Bimetallism*, a discussion by Rowland Hazard and Charles B. Spahr, in *Political Science Quarterly* for June, as to the validity of Mr. Giffen's position that France failed for any long period to maintain an absolute interchange of gold and silver at the legal ratio of 15 1-2 to 1. The two parties disputing about this fact have two distinct standards in their minds as to what constitutes a maintenance of interchangeability. One party will mean that interchangeability at a ratio of 15 1-2 to 1 is maintained if such means are adopted as prevent the ratio from going to 20, 25, or 30 to 1, at times when the relative production of the two metals comes to be in that proportion. Another holds that interchangeability is not maintained at 15 1-2 to 1, if, in spite of France practising bimetallism, a perceptible *agio* or discount, however small, is got by the broker for making the exchange of the one metal for the other. Hence each proves his case because each selects a different case for proof.

CHILD LABOR.—*Child Slavery in America*, by Alzina Parsons Stevens, assistant factory inspector for Illinois. Written from the standpoint that systematic wage labor on the part of children is an unmitigated evil. It is in childhood that all the habits are formed which are to determine what a man or woman will be disposed to do, or will be able to do, when grown. A child reared into an adult without participating in productive work is more often spoiled than benefited by the exemption. Hence the real discussion is a more judicious and instructive study than appears in hyperfervid diatribes. The real question is, how early in life does productive labor become essential to the best growth of body, mind and ability.

DEBT AND TAXATION.—*Continental Finances*, by M. G. Mulhall, in *North American Review* for June. A statement showing the rate of increase in taxation and public or government debt in Europe and the degree in which the debt stands for public improvements.

FREE TRADE.—*Protection and the Proletariat*. J. Sterling Morton, in *North American Review* for June. The Secretary of Agriculture sets out by announcing that the people of the United States consist of two classes, one of whom has the power to repress its desires and appetites. Who constitute the other class he forgets to tell us. It is just as well, since there clearly is not the first class, and hence there would not be the second, if he had named it. The article is a crude attempt to attribute Coxeyism to protection.

GROWTH OF CITIES.—*The Government of German Cities*. Albert Shaw, in the *Century* for June, shows that since 1870 the growth of Berlin has been more rapid than that of New York; since 1875 Hamburg has grown more rapidly than Boston, and twice as fast as Baltimore. In the same period Leipsig has grown faster than San Francisco or St. Louis, and Munich has grown faster than Cincinnati; Cologne has grown faster than Cleveland, Buffalo or Pittsburg; Dresden has left New Orleans behind, and poor, little, unheard-of Magdeburg, Prussia, has walked away from both Detroit and Milwaukee. Frankfort has grown at the same rate as Newark, while Hanover and Königsburg have fully kept up with Louisville and Jersey City. Magdeburg, Dusseldorf and Chemnitz have made a more rapid growth between 1885 and 1890 than Kansas City, St. Paul, Omaha or Minneapolis. Altona, Hamburg's next neighbor, had grown tenfold as fast as Albany and much faster than Rochester, while old Nuremburg has grown faster by ten thousand in ten years than Providence. Finally, Elberfeld, Barmen, Stettin, Crefeld, Halle, Brunswick, Dortmund, Mannheim, Essen and a dozen more have more than matched in growth recently such first-class American

towns as Indianapolis, Allegheny, Columbus, Syracuse, Worcester, Toledo, Richmond, New Haven, Paterson, Lowell, Nashville, Scranton and Fall River. This means that the tendency toward cities in Europe is fairly greater than in America.

LABOR.—*The New Factory Bill as it Affects Women*, by Miss March-Phillipps, in *The Fortnightly Review* for June. In defence of Mr. Asquith's new bill, the writer of this very strong and instructive article gives graphic and vivid descriptions of English steam laundries and hand laundries and domestic laundries, all of which include 67,506 women in London alone, and must therefore include about 492,542 women in England and three-quarters of a million women in Great Britain. Miss Phillipps also describes graphically the employment of women in the white lead industry, the weaving trades, box-makers, packers and polishers, dry-salters, metal burnishers, grinders, cutlery makers, file cutters, men's coat finishers, home workers, match-box makers, slipper finishers, cheap clothing makers and so on. She shows that in all these trades the conditions under which women work are of the worst as to health and decency. The subject deserves the first attention of that large class of well-to-do people who want to do good if shown how.

MONEY.—*Honest and Dishonest Money*, by Hon. John Davis, M. C., in *Arena* for June. A sketch of some of the issues of government money in America, France and Rome, interspersed with some of the observations of Sir Archibald Alison in behalf of the beneficial effects of an inflation of the currency.

RAILWAYS AND TELEGRAPHS.—*The Telegraphs of the Bond-aided Pacific Railroads*, by L. C. Merriam, of Cornell University, in *Political Science Quarterly* for June. A very clear account of the legal aspects of the absorption, by the Western Union Telegraph Company, of the telegraph lines connected with the various Pacific railroads. The

article derives a pathetic interest from the fact that it is its author's last work. He was drowned in the memorable accident in Cayuga Lake, November 8, 1893.

RAILWAYS.—*The Railway Gross Receipts Tax*. F. J. Goodnow, in *Political Science Quarterly* for June. Upon the question, whether a State can lawfully tax the gross receipts of a railway running through its territory.

TAXATION.—*British Local Finance. II.* [G. H. Blunden, in *Political Science Quarterly* for June. Discusses the mode of collecting local taxes in England, Wales, Scotland and Ireland.

TAXATION.—*The Single Tax in Actual Application* (New Zealand), by Hamlin Garland, in *Arena* for June. The system adopted in New Zealand is one of exemption of mortgages, and also of improvements up to a value of \$15,000, rather than one of single tax on land values. How there can remain any unmortgaged land in New Zealand under such a tax law passes comprehension. It has reduced the number of land-tax payers to 12,557, although 91,501 persons own land. Six-sevenths of the landowners escape taxation, and the wonder is that the other seventh should pay when they have only to mortgage their lands to stop taxes. A graduated land tax is assessed on owners the value of whose lands, less improvements, exceeds \$25,000, and this works so satisfactorily that large quantities of lands are being surrendered to the government to escape taxation, and up to date an increase of revenue of \$100,000 has resulted.

Among the Books.

Town Life in the Fifteenth Century. By MRS. J. R. GREEN.
In two vols, pp.441-476. Macmillan & Co., New York
and London.

The widow of the author of *History of the English People* has little need to dedicate this work to the historian's memory. Not only has the spirit of the great historian with whom the present author was a co-laborer during his life consciously inspired it, but it was while aiding him in his investigations that she caught the method and discovered the field for original research which are here so elaborately worked out.

The present work is, even more than her late husband's, not merely a new history, but it is history of a new kind. It is history which flavors the word history itself with a new meaning, and seems to suggest such a new departure in history writing as brings into play a new science and a new art, a new field and a new method of reaping in the field, which can hardly pass under any old name.

Mrs. Green has appropriately discarded the term history and selected the word "Town Life." This term happily calls up the idea of social biology, or urban science, or communityism, or group-culture, which forms the theme of the book—how men learn to pass from isolated into associated beings, from boors into citizens, from nomads into merchants, manufacturers and men of society. There is a growth in wealth which accompanies the process, but this is not so striking as the change in fibre which the individual undergoes. This is something distinct from mere growth, and analogous to the change of limb, fruit, leaf and blossom which plants experience in being grafted into an improved variety.

Wandering back through the pages of Mrs. Green's volumes, the first sensation is one of rude and not altogether

agreeable surprise at the "tough and rough" barbarism of the queer, poverty-stricken and "border-warfare" scenes into which we are admitted. We seem to strike England in her "dug-out," cow-boy, and swash-buckler period, when her barons are all squatting on desert claims, her gentry are something far below "Buffalo Bill," verging on "Shacknasty Jim" or "Sitting Bull." Even her bishops have ways which now characterize the vendettas which prevail in the mountain districts of the South.

Imagine a town like the Winchester of the year 1275, whose people believed the town had been built 99 years earlier than the city of Rome, and which had been the capital and residence of the Saxon kings. About half the town is occupied by the king's castle and the queen's houses, the convents, monasteries, and bishops. But once a year, a Fair of St. Giles is held, during which the whole town is ruled by the bishop; all civic government is suspended; all shops in the town are closed, so that the fair shall have an exclusive monopoly of all sales. The fair is run by the bishop and the monasteries, and all traders must hand over to these any share of the profits they think it profitable to ask. While the fair is being held, no crime is punishable except by the bishop; and while no fair is holding, any criminal who flees into the grounds of the bishop, or even, leaning over from them, stabs or spears a person outside, is exempt from punishment by virtue of the sanctuary in which he commits the crime. If he commits a crime against the bishop and flees into the queen's or king's grounds, he finds there still a new sanctuary. Thus about half the town is exempt from all law, through fancied respect for the state and religion. Every load carried by man or horse into the town paid a toll, and every citizen was liable to be punished by the king if he did a certain act, and to be imprisoned or hanged by the bishop if he did not. "Winchester had not even control of its own gates." (p.324.) "The bishop had charge of one, and two were in the hands of the convent, which in times of

civil war could freely admit within the city walls the armies of the side opposed to the townsfolk." "So also, in the time of Edward the First" (p. 310), "there were five gallows in Worcester and the district immediately round the city. One belonged to the town, another to the bishop, and a third to the Earl of Gloucester, while two more were set up by the Abbots of Pershore and Westminster, who held property in the borough, all of which lords and prelates had the right of hanging thieves and rioters in this little community of about two thousand inhabitants."

Thousands of citations like these, each of which has been laboriously dug up from town records, court records, parish records, etc., show that what the Saxons brought with them to England was a bitter spirit of disorganization, local feud, divided sovereignty, jealousy between clans, towns, occupations, neighborhoods and dignities. This is the same Saxon or Teuton disintegrating tendency which, until recently, divided Germany into two hundred and seventy-one independent or antagonistic sovereignties. This must have placed the level of civilization throughout England far lower in the fourteenth century, under the Saxons and Normans, than it had been in the fourth under the Romans.

The chief struggles for power and for a readjustment of rights lay between the clergy and religious orders as one party, the towns and burghers under their charters as another party, the lords of the manor as a third, the commercial guilds as a fourth, the sheriffs and coroners representing counties as a fifth, the king and his immediate servitors as a sixth, and perhaps the confederated seaport towns known as the Cinque Ports as a seventh. Each of these claimed exemption for its servitors and henchmen from the writs issued by the others, raised its own armies, made its own laws and treaties with its neighbors, held its own courts, hanged its own criminals and levied its own taxes, whether for revenue or for protection. Even the writs issued by the king could not be served within the

Cinque Ports without the indorsement of the warden of those ports.

The field of investigation covered by Mrs. Green relates more to the development of law, manners, and the state, in its local and jural functions, than to the evolution of industry, commerce and manufactures. It is more political than economic.

Yet in the second and third chapters of the first volume, entitled "The Industrial Revolution of the Fifteenth Century" and "The Commercial Revolution, etc.," a most detailed and circumstantial outline is given of the passage of England from the reign of force to the reign of law and commerce. Mrs. Green connects this transit distinctly (p. 73), both in coincidence of time and in her views of causation, with the growth of the theory of state protection of industry in the reign of Henry the Seventh. She describes it as "a policy which was to be largely guided by industrial interests, and to represent the claims of an elaborate industrial organization established by law and built into vast proportions by international agreement." Those who read carefully Mrs. Green's chapters presenting, not in the least controversially, and hardly with any consciousness that her facts have any controversial bearing, the reasons which induced England to barter the control of her wool trade with Florence and of her wine purchases with Portugal, for the advantages these two powers were able to give her in trade with the Levant and the Indies, will see that Mrs. Green has interposed a most effective reply to the rather flippant and superficial criticisms of Adam Smith upon the workings of these reciprocity policies in his day. Her conclusions are stated with a rare moderation that approaches to modest reserve. But her grouping of historical facts indicates a clear apprehension that it was by just those treaties with Spain and Portugal as to wines, and with Florence as to the Levantine trade, which were specifically or in principle the subject of Adam Smith's most petulant criticisms, that England laid the foundation

of her ascendancy on the seas, of her empire in the Indies, and of her almost irrevocable hold on the commerce of the world. Had these policies never been applied, the minute criticisms of the Scotch economist, made two centuries after the policies he condemned had achieved their most signal results, and without any attempt to give credit for those results, might never have been read, or possibly written. The English people might possibly have been too obscure and poor a race to make any views emanating from their theorists as to the causes of the wealth of nations of very much consequence. They would have had too small a share in the topic he discussed.

Mrs. Green's style is vigorous, condensed and forcible, as becomes one who has so much matter to be stored into fit words that no syllable can be wasted. In almost an absolute sense, her materials have never before gone into book form. Her authorities are seldom previous writers, but nearly always official or record sources. We cannot hope in a few brief extracts to give an adequate sense of the originality and fidelity of her contribution to the world's knowledge. It is more like a scientific exposition of the course of evolution of "the neglected elements," the trade and working classes, in English life. It shows also the aristocratic classes with the mask off; their grasping rather than their gracious side. Very few historical works vie with it in thoroughness of treatment, and probably none throws so much light on the common life of our ancestors in its industrial aspects. It is, to industry, something like Henry C. Lea's History of the Inquisition as a contribution to the science of theological evolution, minute, surprising, gross, exact. No glamour is thrown over the facts relating to our British fathers. No selection of a petted class for praise is made from among them. There is no hero and no villain in the drama. There are bishops to whose palaces thieves fly for sanctuary and are protected. But the goods are confiscated to the church while the thieves go on their way. There are traders who are drowned with

their teams and stocks of goods, traveling at dusk in the unpaved streets of a city, because a hole, twelve feet deep, has been dug in mid-street by an artisan who needed the peculiar quality of sand to be found there, and the hole has been filled with water by rains. The case involved no fault, as the artisan needed that kind of sand and could not conveniently get it elsewhere.

There are burghers who winnow their wheat of its chaff by throwing it in great heaps from their windows into the street. Fat hogs and their wallow, cattle and their slaughter, booths and their goods all have right of way in the street. This and much more was the merrie England from the twelfth to the fifteenth century.

Compendium of Transportation Theories. Kensington Series. By eminent experts. Octavo, pp. 300. Washington: Kensington Publishing Company. \$2.

It is mainly the purpose of this volume to preserve to the public the recent utterances of many eminent gentlemen, which have appeared in form of addresses, essays, etc., upon numerous phases of the railroad problem. Compilations of this character are of pronounced utility, especially when performed with care and thorough knowledge of the subject covered, and containing among the contributors such names as Charles Francis Adams, Jr., Senator Cullom, Joseph Nimmo, Jr., Judge T. M. Cooley, Mr. C. P. Huntington, Prof. H. C. Adams, Mr. Theodore Voorhees, Aldace F. Walker, W. M. Acworth of London, and many others prominently identified with the railroads.

The "Compendium of Transportation Theories" has been prepared by Mr. C. C. McCain, of the Interstate Commerce Commission, who from his long experience in railway affairs has happily appreciated the value of the collection he has made. The work should appeal not alone to students of the railroad question and to practical railroad managers, but also to everyone interested in the social and economic effects of modern transportation systems.

Labor and the Popular Welfare. By W. H. MALLOCK. London. Adam & Charles Black. (Imported by Macmillan & Co., New York.) 1893. pp. 336.

This is an attempt to reduce to popular form the Duke of Argyll's argument in "Unseen Foundations" that "ability" is the steering force in industry, and that "profits of trade" and "unearned increment" of land, and "rise in values," of whatever kind, are only the proper rewards of successful pilotage and salvage. Mr. Mallock sets out by stating that the great question before us in modern society is, "By what sort of social legislation may the incomes of the poorer classes—or in other words, the incomes of the great mass of the community, be in the first place made more constant, and in the second place increased?"

This question he leaves, it is just to say, wholly unanswered. At the outset, and again at the close of his work, he approaches the verge of fair trade, by alluding regretfully to the fact that the entire British and Irish people import two-thirds of their corn and five-twelfths of their meat. But he is not quite ready to advocate import duties on either. Hence he stands, like Salisbury, Churchill and Balfour, waiting for the British people to be converted to protection, but ready, should such a contingency occur, to declare that he had always been protectionist.

Progressive Taxation in Theory and Practice. By EDWIN R. A. SELIGMAN, Professor of Political Economy and Finance, Columbia College. 217 pp., octavo. American Economic Association.

Prof. Seligman's work on Progressive Taxation in Theory and Practice indicates, as does his previous work on the shifting and incidence of taxation, that he is most attracted by the field of investigation in which refinements of theory, and fine and subtle discriminations and shadings in economic belief, have their largest scope. The present work, therefore, is a history of economic discussion, rather

than of exchequer policy. Measured by the amount of money raised under it relative to the revenues raised without regard to it, the theory of progressive taxation has been an extremely insignificant fountain of revenue. Measured, however, by the quantity of sympathetic and semi-socialistic argument which has been uttered in its favor, it has been an extremely prolific source of economic discussion. Indeed, it may be characterized as a tax for discussion only, as distinguished from such as are laid either for revenue, for protection, for prohibition, or as a penalty. Prof. Seligman discusses taxation in the light of the theories under which it has been justified, which he finds to be (1) the benefit theory, viz., that we pay government by taxes for its services to us; or (2) the faculty theory, viz., that we enjoy our rights and possessions through the endowing favor of government, and are bound to support it according to our means. The former theory, Prof. Seligman holds, leads away from progressive taxation, while the latter leads toward it. The notion that taxation ought to be used as a means to check the profits of enterprise, to limit the tendencies of wealth to accumulate in few hands, and to cause its more equal diffusion among all, is an inseparable part of socialism, and springs from the belief that the interest of society in the equal diffusion of productive capital is just as great as in the equal distribution of enjoyable or consumable wealth for consumption. Very few master the truth that inequality in the ownership of productive wealth is favorable to, and even is proportionate to, equality in the distribution and consumption of enjoyable wealth. Prof. Seligman does not trace the demand for progressive taxation to this, its socialistic root, and destroy it there, as Hugo's hero in the depths of the sea was required to attack the devil-fish by cutting off its head. This would make his book radical on the side of conservatism. Prof. Seligman is never radical. He is considerate of opposing theories, slow to condemn, kindly, genial, scholarly and judicious.

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Not a few of his criticisms on current theories are of great value.—*New York Independent*.

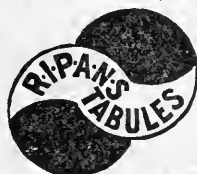
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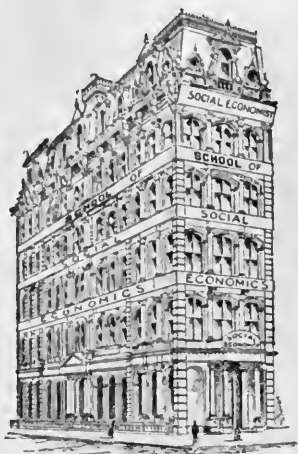
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SOCIAL ECONOMIST

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GEORGE GUNTON, EDITOR.

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SOCIAL ECONOMIST

AUGUST, 1894

A Proposal Concerning the Currency.

Hon. J. H. Walker of Massachusetts has a bill known as H. R. 171 before the Committee on Banking and Currency, which would have better rewarded the attention of both branches of Congress than the vast tariff bill upon which so much time has been wasted. If it would do all it aims to do it would be of inestimable value. A study of its aims is of value, even if in some cases other means shall prove to be necessary to carry them into effect. It proposes a modification or partial reorganization of the present banking conditions, so as to allow any bank, whether state, private or national, to provide itself with two or three sets of circulating notes for future use, one set of which is to be called "greenbacks," and another is to be called "reserve notes," and another is to be bond-secured notes, but all of them are to be issued to the banks by the Comptroller of the Currency. The "greenbacks" are to be issued to the extent of one-tenth of the capital stock of banks having a capital of \$250,000 or less; and to banks having a larger capital, to the extent of \$25,000 to each bank, and at least one-half the notes issued to any bank shall always be greenbacks. The basis on which this class of notes is to be issued is the deposit by the banks obtaining them of an equivalent sum in coin, United States coin certificates, United States bullion certificates or United States legal tender notes. Hence one prime object of this feature is to retire all United States notes in every form and substitute therefore bank notes, dollar for dollar. Its operation, if enacted and carried out, would be to relieve

the United States of its legal tender debt (\$347,000,000) and its treasury notes of July 4th, 1890 (\$130,000,000). This would put an end to the obligation of the government to furnish gold for export, and to its liability to be bankrupted by being unable to furnish gold without indefinitely multiplying its borrowings of gold by new sales of bonds.

So far Mr. Walker's measure seems to promise unmixed good, provided the conditions of profitable banking are such that bankers can afford to pay dollar for dollar in government notes for one-half in amount of all the notes they issue, and when all the notes they are permitted to issue, both of the greenback and reserve sort, are limited to the amount of their capital stock actually paid in. It must be remembered that banking on their notes, as distinguished from banking on their gratuitous deposits, must always be the function of the smaller country banks, never of the larger or metropolitan banks. The latter will always have more gratuitous deposits, on which they pay no interest whatever, or a nominal rate, than they can keep loaned. They will have no motive, therefore, and no opportunity, to loan their own notes in addition to their deposits, especially if one-half the notes they are thus to have the onerous privilege of lending are to be, not their own gratuitous and costless notes at all, but a so-called greenback furnished to them by the Comptroller of the Currency, in which they have at the outset been compelled to invest half their capital, as the condition of going into banking under Mr. Walker's bill. Of course no metropolitan bank having more gratuitous deposits than it can lend will buy an outside note for lending on any terms whatever, and still less will it invest half its capital in a means of making costly loans when it has lying idle in its unloaned deposits all the means it can handle of making costless loans. Hence no city bank will avail itself of Mr. Walker's bill if it shall become a law. To meet this refusal he provides (section 8) that any banking association refusing to take and issue as large a proportion of "greenback" bills as three-fifths of

the other associations organized under the act shall take, may be fined twelve per cent per annum for not taking them, by being compelled to pay interest at that rate to the Comptroller of the Currency "so long as the failure continues."

Mr. Walker is familiar with the motives on which bankers act. We think he must himself feel the same distrust that we do in efforts to fine them into accepting notes of a particular kind.

The difficulty with any scheme for retiring the "greenbacks" which makes the assumption of an equivalent amount of note issue by the banks individually the condition of its working, is that none but the smaller banks want to issue notes at all, and such a plan would saddle the whole greenback debt on these small banks, leaving no burden whatever for the large banks to bear. This phase of the case has led the SOCIAL ECONOMIST to reject as not feasible the scheme of a subdivision of the greenback debt among the banks severally, and to adopt instead the idea of a confederation of all the banks of the country into one institution or system, and the assumption of the entire greenback debt *in solido* by the whole system or by the central institution, which would take the place in our banking system formerly occupied by the Bank of the United States.¹

Mr. Walker's "reserve notes" are to be issued by each bank "to the amount of the average reserve held by that association during any six consecutive months of the previous year." We can see no reason why an individual or a bank should be restrained in his power of giving notes during any year, to the amount of uninvested cash he had been obliged to hold in a state of idleness and uselessness during the previous year. The true limit of the notes a bank should be permitted to lend is to be found only in the security of repayment afforded by the loans on which it is

¹ "Path to Safe Banking and Currency," in SOCIAL ECONOMIST, October, 1893.

made. If all the loans it makes will be repaid, a bank is richer for lending a thousand times its capital and reserve. And, since Mr. Walker includes proposed statutory provisions as to the ratio of "reserve" his banks shall maintain, either relatively to its volume of notes, its capital, or whatever other fact, we will say that a fixed, immutable provision requiring a certain reserve by a bank is like an order to a commanding general never to bring into action a definite proportion of his army. Obviously it is an order made to be violated, for a general in defeat must put his reserves into action or the enemy will do it for him. So a losing or failing bank must pay out its reserves, or its creditors, represented by its receiver, will pay them out in the last resort; and if they are to be paid out at all, it might as well be done when a profit can be made out of them, as when they will only help to pay up a loss.

Mr. Bagehot, in his essays on the Bank of England, where the alleged "reserves" are supposed to be on deposit for the whole banking system of England, brings out clearly the fact that these supposed "gold reserves" are really out on loan in the hands of the London bill brokers, thus converting the only "ultimate coin reserve" known to the English banking system into a myth, a phantasm, and a dissolving illusion. It should at least be understood that no banking reserve can be statutory, inflexible, or withdrawn from use. It is no reserve at all, but only a paralysis and a debt of the business, the instant its use is placed beyond the judgment and discretion of the banker who gives it storage room.

Finally, Mr. Walker provides for an issue of notes on the security of approved bonds to be deposited with the Comptroller of the Currency, after the present fashion of the national banks. These served their day so long as an irredeemable issue of government notes had to be thrust between banks and coin redemption. But that state of things gave them their whole utility. But if we are to get back to coin redemption for our paper money, we must

learn to look on bond securities deposited with the Comptroller of the Currency as things of the past. They convert all the pretended bank notes they are issued to secure into virtual government notes. Coin redemption upon them is a dream.

Mr. Walker is eminently right in seeking to make the prospective retirement of the greenback, and substitution for it of a bank note currency, the key to the return to a much-needed system of coin redemption. But we think he so overcharges the banks for the new currency he proposes to issue to them, that they could not afford to take it on his terms—he proposes a mode of transferring the burden of the greenback loan on the bankers which devolves the whole of it on the small country bankers and no part of it on the metropolitan banks, which could better afford to assume the greater portion of it, but will never see any interest in doing so if it is made merely a condition of obtaining an enlargement of that note circulation for which they have no need.

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The bill prepared by Mr. Walker aims in the right direction. We have made this extended analysis of its currency feature because it is in this respect the best bill yet before Congress, and the only one that even heads the right way, viz., toward the retirement of the greenback currency by the co-operation of the banks. Most of them look toward the elimination of the note system from all banks and larger issues of fiat money. Mr. Walker's familiarity with the principles of sound banking causes him to fully and clearly perceive the applicability of the criticisms we have made upon his plan. He admits that they have a theoretical and ultimate force, which he believes should be subordinated for the present to the higher practical expediency of adopting some compromise or makeshift measure, upon which a present favorable vote can be hoped for from a Congress largely of fiatists, Populists, and anti-bank fanatics, who would not vote for any measure

which would not be onerous to the banks, and are wholly unprepared to vote for any bill which looks toward a federation or consolidation of our banking system, or to the revival in any form of a system of coin redemption supervised by a bank of the United States. He believes that anything we now do must be a building on foundations already laid, even though this be in part logically a persistence in financial blunders to which we are in some sort already committed. We cannot produce a future for ourselves except as a continuation of our present. Hence he designedly seeks to limit his innovations to such as can be grafted upon our present financial methods, and will not involve a complete digging up of old trunks and setting out of new saplings. We agree to the validity of the metaphor. This renders it necessary to define carefully what are our old financial methods upon which our new devices are to fit in as a graft.

We deny that the greenback issue, the national bank note issue, based on deposits of the federal bonds which are in course of extinguishment, or the legal tender law which thrusts a fiat government note between the banks and any system of coin redemption, are any part of the old financial methods on which we can graft. All these are excrescences which commit us to the attempt to perpetuate fiat money, and must therefore be swept away.

When these are gone there remain the deposit banks of the country of four kinds, viz., those organized under federal law, those organized under State law, private banks whether persons or firms, and resident branches of foreign banks. These issue the bank credits and hold the deposits which move the crops and manufactured merchandise and transact the business of the country. They embody about \$3,800,000,000 of capital. Their "clearings," amounting in prosperous times to about \$60,000,000,000 a year, and contracting in 1893 to about \$35,000,000,000, are the real "means of payment" of ninety-two per cent of the country's commerce, and the currency whose volume measures

prices, controls rates of interest, constitutes prosperity and determines stability. Besides these we are estimated to have in round numbers about \$600,000,000 of gold in the country, and some \$500,000,000 of silver, which as stocks of the precious metals are enormously larger than we ever had before and are a real burden to carry. None of these are practically utilized, but all of them are as nearly as possible de-utilized by our legal tender law, our national banking law, by our aggregated banking system as now administered, and finally by Mr. Walker's bill.

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We insist, therefore, that the method of money reform which will most truly "build on existing foundations" will be that which marries our stock of gold and silver to our banks. These alone have the machinery for utilizing our gold in coin redemption, for making it fruitful of extended credits and low rates of interest, and for getting our silver into successful and useful circulation among the people, where it will do good instead of harm, and that increasingly. We also insist that our people will not fear and detest banks at a period when banks make themselves the visible angels of plenty and harbingers of prosperity to all, but only in periods when they practically abdicate their function, shrink from their high calling, and, from whatever motive or necessity, allow a government to supersede them in its exercise. In such periods of diminishing usefulness they will pass into that odium and foul odor which everywhere awaits the bodies of the dead when the life that made them loved has departed and they become fit only for burial, burning or to be devoured by the vultures.

The banks of the country are the sole agencies through which paper money can be issued in quantities to suit the needs of commerce and exigencies of the people, because they are the sole agencies whose business it is to base their loans upon such exigencies and securities as commerce itself creates. They are also the sole agencies through which paper money can be redeemed in coin and its

equivalent, because they are the sole lenders that always issue paper money in exchange for deposits of commercial securities which secure its ultimate repayment in coin or its equivalent. Mr. Walker fully agrees with us in these fundamental axioms of finance.

The immediate action which they call for is this:

1. Banks must issue their own notes in loans, at their own risk and pleasure, without cost or tax, and must redeem them in coin.

2. The redemption of all bank notes, by whatsoever bank issued, must be daily made, at an authoritative central agency or note clearing house, which will daily in turn compel redemption in coin by the bank which issues them, or enjoin its further issue.

3. So long as a want of parity exists between gold and silver on the legal and established coin ratio of 15.98 to 1, in deference to the public conscience, coined gold will be the medium of ultimate redemption for all obligations, public and private, exceeding, say, five dollars.

4. Meanwhile, silver being the natural currency for payment of values under five dollars, which include so vast a portion of the wages, retail and consumption payments, that they probably equal in their aggregate even our entire wholesale payments, let the banks be made the free and interested agents in the circulation of silver coin on the following basis:

a. Every standard silver coin issued shall contain five grains less than the bullion value of the standard coin for which it issues would need be to equalize its value as bullion with its value as coin; and shall also have stamped on it, in minting, the number of grains of silver it contains, and the name of the bank which procured it to be minted, which bank shall at all times redeem the silver standard coin bearing its imprint, in gold, when presented in sums of five dollars and upward.

b. All bank notes of less face value than five dollars shall be redeemed by the bank issuing them, if in sums

less than five dollars, in silver coin issued under the foregoing provision, but if in sums exceeding five dollars, then in gold coin, with silver only for such fractions as fall below five dollars in value.

5. Repeal the Legal Tender Act and the national banking law, and require all banks to redeem their notes in coin of gold or silver on the above basis, to accept such coin on deposit, to maintain redemption of notes at some central agency designated, or be closed up, as to the privilege of issuing notes, and subject to these precautions leave the note-issuing function without restriction as to volume.

6. Encourage and authorize the formation of a bank association, syndicate of banks or federal bank to retire the greenback issue by making an issue of a like amount of notes in its stead to circulate on the credit of the associated, aggregated or federal bank so formed.

The effects of these provisions will be (1) to restore the flow of gold and silver redemption, and the freedom and elasticity of bank note issue, both of which have been practically suspended for thirty-four years; (2) to end the tendency to fiat money issues by the government and the strain of continual bond-selling to maintain the empty and hollow farce of pretended gold redemption on our greenbacks; (3) to bring gold and silver interests again into harmony and co-operation in a manner which will make silver a means of profit at once to our banks who issue it and to the retail and labor interests which make use of it. For suppose silver to-day to be worth only 28*d* sterling in London, instead of 60*d* as it should be to be at par with gold on the coinage ratio of 15.98 to 1. At this figure banks would be free to offer silver bullion to the United States mint for coinage into a coin containing about 740 grains instead of 371¼, but this 740 grains would be five grains less of silver than the coin should contain to have the bullion value of a gold dollar. If a bank coins 500 of these it makes a profit of 2,500 grains of silver, *i. e.*, five grains on

each coin, or nearly eleven ounces of silver. This would be a sufficient profit to insure their coinage and circulation at their face, as each bank would put them out in change at par with gold and take them back at the same par. It substitutes the banks for the government under the Sherman law as buyers of silver, places in their hands a quantity more than twice as valuable for melting as could be got out of the standard dollar, and pays them a commission for circulating silver as large as was paid during the war for placing government bonds. If silver should rise by the value of 5 grains, say to 30*d* sterling per ounce, the banker would be relieved of the burden of redemption and the holders would have a slight interest in the melting the coin, which if done would permanently relieve the banker of all obligation on that particular coin. If the silver should fall, the banker would have a collateral worth only one forty-eighth less than the loan of gold he had made upon its credit. Silver could thus pass into circulation as a secondary coin in aid of gold, and in a quantity which, if silver should rise under its operation, would be constantly affording a probable profit both to the banker who should put it into use and to the class who would receive it in payment. If it should fall in value, wage receivers could lose absolutely nothing, and the banks which redeemed it very little.

No monetary reform is worth the name which does not retire all fiat money, substitute for it good bank notes issued on commercial loans, set banking free on the basis of coin redemption, and in the work of coin redemption find a working place for silver, without consulting any foreign country, or asking any American citizen to do any act which is against his interest. If our plan embraces all these conditions fairly and in good faith, why is it not a good, workable plan?

The State and Social Law of Strikes.

The following analysis of the two antagonistic decisions of our Western judges as to the law of strikes deserves a more than ordinarily careful consideration :

It is not necessary to lose confidence in the integrity of either Judge Jenkins or Judge Caldwell, though it is obvious that their decisions in parallel cases involving the greatest question of the day—the question of the rights of organized labor confronting organized capital—are conflicting.

Judge Caldwell holds that men in the employ of a railway corporation which is under the protection of a court have the right to strike, though they have not the right to injure the property of the company.

Judge Jenkins holds that they have not the right to strike, because it would be impossible for them to strike without injuring the property of the company.

Theoretically there may be a course of fine-spun logic by which these decisions can be to some extent reconciled with each other, but for the practical purposes of this working world they are in utter and irreconcilable antagonism. One of them must be right, and one of them must be wrong.

There is ancient precedent on the side of Judge Jenkins' view of the case. Time was when English law punished any combination of workmen to raise the rate of wages. This law was amended in 1825, and England now freely permits such combinations provided they effect their purposes by lawful means. It was not until as late as 1871 that the English parliament placed trade unions upon a footing of equality with other voluntary associations in that country.

English common law is the root from which sprang American statute law. The same germs which have unfolded into stem and leaf in the law of England animate the spirit of American law, and the sunshine of our larger political liberty warms them into more vigorous life. It is impossible to believe that the development of our laws will be out of harmony with the broad regard for the rights of the masses which has ameliorated the once oppressive laws of England. It is impossible to believe that when the rights of labor, including the right to strike peaceably, come up for final adjudication in this country, the laboring man will be taught to think that when he seeks the redress of grievances he must seek it outside the pale of the law.

JOHN GOADBY GREGORY.

The above is a very impartial statement of the question upon which the law is now in its incandescent period—none knowing exactly which way the lines of lamination and striation will run when the stratum cools. Associated labor and capitalist law seem now to confront each other very much as partners, each of whom is enjoining the other from carrying on the business. The law of the land

as interpreted by the courts forbids organized labor to band together for the purpose of using force, on the ground that it is social war. The primary object of all government is to supersede social war by monopolizing that function to itself. It is at war, therefore, with the very function of government to permit any other exercise of social force than its own. It is also at war with the whole logic of a strike, to step aside peacefully and permit new workmen to take the strikers' places. So far as the courts say that this is the sole right of strikers, they virtually hold the principle on which all strikes proceed to be unlawful. No strike is made with an intention to peacefully abandon the employment, except in those rare cases where a strike occurs while the labor market is rising and it is easy for the workers to get better terms elsewhere.

If there is to be a law of strikes, therefore, which will be satisfactory to the wage workers, it must be a law governing combatants, not a law forbidding the combat. It is something like a revival of the old wager of battle, which, in the period of feudal chivalry was regarded as placing two contestants most nearly on a plane of justice because most nearly on an equality. A law suppressing the combat, or authorizing courts, sheriffs and militia to suppress it, so long as it is a contest by the workman to fix his contract with his employer without interference from other workmen or from other employers, is a law against freedom. It is a law prohibiting wage-workers from massing their economic strength against that of their employers, for the single act of negotiation, just as political parties are permitted to mass their numerical strength in conventions and by nominations prior to the election. This right workmen should have for settling any point of contention between them and their employers as to the contract to be made between them. The law and the courts do not become effective until a contract has been made.

For the purpose of entering into the wage contract the unit wage-worker is not so free a contracting party as

his employer. Being individually weak, he must be massed with all men of his class, who have the same stake that he has in the pending issue, to make him the equal of his employer in negotiation. It is idle to tell a wage-worker in the Pullman car works to enter into or enforce or amend his wage contract with the Pullman Company individually, but not to conspire with any other wage-worker, in a common plan of negotiation. As well tell a Saxon farmer of the period of the Norman invasion, that he must hold his farm individually against William the Norman and his mailed warriors. No such defense is possible. He must combine with his race or he will have no farm.

Our legal theories recognize wage-workers only as units of society. Lawyers do not yet see in wage-workers the members of a tribe, clan, commonalty, corporation or *bund* which in its mass is also a unit. It needs this unity for successful negotiation in making a contract with the capitalist class. It has a solidarity of interest among all its members as truly as an Indian tribe has in making a treaty ceding its lands. This solidarity it must make effective in its combat with employers of its members, over rates, terms and hours. Very often our legal theories fall behind the onward march of society. When this occurs they are belated. The attempt to apply them in this belated and incongruous form will not put society backward, but the genius and resistance of the law-breakers will shove the law forward. The law of libel has been thus amended by the persistent disobedience of jurors. The death penalty has thus been repealed by their humane breach of their oaths. And judges have by fictions amended the practice in hundreds of instances.

What the striking laborers really feel in every strike, is that *their* employment, job and right to work in a particular establishment, and to improve or maintain their existing contract with their employer at that place and in that work, without being interfered with by other workmen of their own class, are all theirs, in a certain social though

not legal sense which makes it honorable in their brother workmen to refuse to take, and disgraceful in them to take their vacated places. The instinct, rather than theory, on which all labor strikes proceed, is that as industries become specialized so that the only persons competent to perform a business are those who are actually conducting it, they acquire a wage-worker's social right to that job. Hence the thousand or more workmen taken recently from New York City to Jefferson county, Pa., were appealed to by the strikers with this plea: "This is our job! We have made homes here, married wives here, our children are here. We appeal to you as men: don't take this from us, because if you do it will not be yours, for the same means which are used to take it from us to-day will take it from you to-morrow."

Instantly upon hearing this plea the train load of imported men assured the strikers they would not take their work from them. They had the workingmen's feeling, that there is a social right to a job. The new men were escorted to the public restaurant in triumph, the wives and children, fathers and mothers of the strikers embracing and kissing them, weeping, singing, dancing and shouting in their joy.

Against this feeling of the workmen comes up the legal theory upon which the English law against criminal conspiracies seems to be drawn, and which is clearly stated by Jevons in his work on "The State in its Relations to Labor." This is, that a course of action which may be harmless when pursued by one person singly, or by any number of persons who will be likely, without preconcerted agreement, to pursue it at any one time, may be criminal when numbers conspire together to do the same act at one time, in order to control by physical obstruction some business which they do not own and have no moral right to control. Thus one depositor may withdraw his account from a bank with perfect right. But if by concerted action 20,000 depositors conspire to withdraw their deposits on the same

day in order to break the bank, Mr. Jevons holds the act should be considered a criminal conspiracy. So two persons may meet to carry a petition to Parliament and may both be armed, but if, as in Lord George Gordon's case, many thousands conspire to unite in such an act, that which would be innocent if done by one may become criminal if done in concert by many.

The principle thus stated by Jevons has never yet, we think, been embodied into American law. So far as our courts have yet gone, whatever is innocent when done by two or three persons, as many thousands can conspire together to concur in doing, and no exigency has yet arisen to cause legislatures to convert into a crime, when done by many, an act which is lawful when done by one.

As yet the courts assert, and the military enforce, a legal right of the workmen simultaneously to withdraw from work in any number, and of the employers to man their enterprise with new men. On this theory every strike, if fought out savagely enough, and far enough, nominally ends in a change of men. But as the men will be in the union immediately the change is fallacious.

Moreover, our governments, State and federal, are becoming less willing to use the military arm as a mere means of enforcing the displacement of old workers by new. They are conscious that it makes the state, in its armed omnipotence, the servant of the employing class in all strike contests, in the last resort. It is odious to the governments, the militia and even the regulars to render a service which has this outcome. This is shown in the attitude recently assumed by State governors in handling the State militia, especially in Colorado and Illinois. One of these was a Populist governor of socialist leanings, and the other was a Democrat governor with anarchist sympathies. Yet it must be noted that such governors are part of the swim and tide of democratic evolution which must create the law of strikes for the future. In both cases the troops were used to prevent the strikers, and the employers' hired

deputy sheriffs, from getting into direct conflict. But care was taken so far as possible not to make the military arm there, as at Homestead, a means of deciding the result of the strike in favor of the employers.

In the intervention of the federal arm in the pending Pullman strike, there is thus far an effort to so handle the troops that federal mails, and interstate commerce and federal receivers of railways, may continue without interruption, leaving the issue of the strike itself to be decided by other forces than the military power of either the federal or State government. This is a difficult and new attitude in strike handling. It may prove to be like Lincoln's declaration in 1861 of a purpose to protect federal property and enforce the collection of federal revenues and the performance of federal functions within the seceded States. That required a complete suppression of the secession movement as a national rebellion. Indifference cannot long be maintained when the force used in a strike involves "armed insurrection," against federal as well as State authority. Such an outcome merges the labor contest in a retrogression toward militarism. It delays for a long period any tendencies toward giving a workingman who takes part in a strike, some more continuous legal right than the barren one of giving up his employment, and going into the service of another employer. Such a prospect provokes to violence and destruction of property. If the striker feels that he must make his strike so socially destructive, costly and dangerous to life and property as to terrify his employer into conceding his demands, or lose all employment, he becomes a more dangerous striker than if he knew that his return to work was only a question of terms. As we have remarked, every strike, if resisted in a sufficiently persistent degree, and the resistance backed by the military arm, always dominated by the theory that the workman's only legal right in striking is to seek employment elsewhere, must end in a defeat of the strike, unless indeed it is strong enough to overthrow the government

itself. And *per contra* every strike engineered by the sympathies of the working classes, without military intervention, would as certainly end in crushing out the employers.

The general trend of these events points to a disposition in the officers of the law to recognize organized labor as one guild, and the owners of capitalized plants as another guild, both having rights of contest, of treaty, and of war, not unlike the rights of the various trade guilds which held so large a share of power in Europe from the eleventh to the fifteenth century. These divided with the state the control of society in all its industrial aspects. Whether such a change would be a recession toward mediævalism, or an advance toward a more truly advantageous condition of industry, it would be likely to come, if it came at all, as a mode of relieving the working classes from the despotism of unsympathetic employers, and substituting for it the headship of elective chiefs chosen freely by themselves from men of their own class. It would be a mode of working under command of Debs and Arthur instead of under Pullman and his kind.

No one can doubt that such a change is an application of the principles of self-government and freedom to labor relations. It gives inspiration to the mass of wage-workers, and may induce better and more exact obedience simultaneously with a greater sense of freedom. Guilds and unions can exact greater diligence and more fidelity from each other than employers could do from hirelings, on the same principle that wage-paid labor secures heartier co-operation than the slave will give. It will be seen, therefore, that the capitalists' question, "cannot an employer do what he will with his own property," fails when persons not his property are also involved.

Is there any subtle principle in this social right to permanent work, which the ingenuity of lawyers, politicians and courts will or can harden into a legal right? The interest of the tenant in the continuance of his term has crystallized into tenant right in Ireland, and,

centuries earlier, common rights to land became private rights. Law is a progressive and shifting science, in which change is a constant factor, and each change is the result of conflict. In a definite sense, social reform is brought about by social war. The ugliness of the aspect which the social war can assume is sometimes an index to the need of modifications in the law. The resources of the two writs, appointing receivers and issuing injunctions, combined, are adequate to put all the railroads of the country on a socialistic basis. They could make Grand Organizer Debs receiver of any road, and could restrain the stockholders from calling for any dividends until satisfactory wages had been paid. But would this not bring the wage-worker more directly under military control? Socialists have welcomed the federal post office and interstate commerce laws as illustrations of the advance of socialism. Their cry has been, "let the same government which carries the mails control all industries." In the suppression of the Pullman strike they must now perceive that at this same thin edge, where federal power acquires socialist functions, it also acquires military control. It was because it carried the mails that it ordered the regulars into Illinois against the protests of the governor.

Strikes, even when conducted within legal lines, if such conduct is ever possible, contain proofs that the right of dominion of the employer over his workmen and his work is waning. The interests of the aggregated body of workmen employed are important even when weighed against those of stockholders. The work changes as it expands from the single cooper or cobbler working with one apprentice, to the great railway, or combination of twenty towns under a steel company, employing 20,000 men who support families numbering 100,000 persons.

In these latter, the simple relation of master and servant is lost in the complex labyrinth of reciprocal duty. The employing company is present only in the person of its servants at any time, and each of them is legally the

company, as to every other, and even as to the president of the company himself, when the former is obeying orders and the latter is endangering values. When the switchman swings the red light he is the company to the conductor. When the engineer rings he is the company to the brakeman.

Erastus Corning, when president of the New York Central, undertook to cross, with his deformed feet, the trackway at Albany, where numerous engines were dodging this way and that in charge of their drivers. The trackmaster had never seen Mr. Corning, and perhaps did not care, since he better knew the real danger, and, moreover, since whatever Mr. Corning was, the trackmaster stood for the company, as to the question of crossing the trackway. He shouted, seizing Corning bodily and slinging him over his shoulder as he did so, "Come along, old cobble-toes; do you want to get killed here, and make a bill against the company? It's lucky a man of more sense than you is here to hoist you out of danger, and plant you where you belong. Now keep away from this, or you'll be reported to Boss Corning; and if you are, the old fool is as likely to order me to let the engines run over you as not, as he don't care for anything but money."

So saying, he deposited the railroad president in a safe place, and the next day found his salary had been doubled.

In such extensive employments, obedience to the common law that binds into reciprocal unity the action of all is the only master, and so long as he keeps within this obedience, every servant is master.

The law of safety to the company, loyalty to its work and security to its customers, requires that the employment shall be permanent. The Carnegie Co., since the strike at Homestead, has been paying the penalty of its enforced change of men, in inferior armor plates, forfeited contracts and soiled reputation. The New York Central's triumph over the formidable strike of its workmen a few years ago was followed by an appalling series of accidents

which the public mind will associate, without having all the data for tracing it accurately, with its change of men, For a quarter of a century under Corning, Sloan and Vanderbilt the Central and Hudson River companies advertised that they had never taken the life of a passenger. During all this early period they were reputed to make few changes, to have long terms of service, to stint not their men and to have no strikes. Every mile of track had its watchman on guard. The managers of both companies admit that their interest in permanency of employment on the part of their men is at least as great as that of the men themselves. Hence the struggle of the men for permanency in their employment is intrinsically in line with the interests of their employers. The only issue is how to insure a permanency which is equally desirable to both. The decision of the court in the Ann Arbor case, enjoining the men from striking, and the Brotherhood of Engineers from ordering a strike, involves as its correlative a like power in the courts to restrain employers from discharging their men even where not employed on time contracts. The ruling of Judge Barrett, of New York, that employers have no more right to conspire to break up a union of wage-earners in their employ than wage-earners have to break up their employers' trade and custom, looks toward defending permanency in wage relations.

It is not so vital at present what the workmen ought to do as what they will do. They will mass their strength in every battle to improve their wage relations and those of their class. The telegraph and their own intelligence are rapidly increasing their power to control industry. If they are not invited or permitted to co-operate in its control, in ways that are peaceful and profitable, they are very likely to control it to its loss. They are not to be deterred from this course by publishing dolorous statistics of the vast sums of wages they lose. If they had done the work and then lost the wages they would see in such loss a hardship. But not to get their wages when they do not

work is not to them a loss. They get their rest, their fight and their experience. If they live through it they are where they were when it began. Nor do they believe in the arguments which seek to prove that they are the financial losers by the strike. Those who have nothing to lose, like those who have nothing with which to pay taxes, are of all the world the most sure that they neither lose nor pay. The true cost of strikes, like the true final incidence of taxes, falls on capital and comes out of profits. The striker does not starve. His butcher, baker and landlord may lose a part of their capital, but the striker is fed, clothed and sheltered. In every aspect, therefore, the interest of the capitalist employer in permanence is in harmony with that of the wage-worker.

How Pullman Was Built.¹

The Pullman Company was incorporated with a capital of \$30,000,000, the quotation for which in the market to-day is twice that amount. Mr. Pullman took up an estate of over 3,000 acres around Lake Calumet, which is fourteen miles from the center of Chicago, and which was at that time far outside the city limits. There, following the example of Messrs. Krupp at Essen, he set to work to construct a model city in his own image. Mr. Pullman's ambition was to make the city which he had built an ideal community. In order to do so he proceeded, in entire accordance with the dominant feelings of most wealthy Americans, by ignoring absolutely the fundamental principle of American institutions. The autocrat of all the Russias could not more absolutely disbelieve in government by the people, for the people, through the people, than George Pullman. The whole city belongs to him in fee simple; its very streets were the property of the Pullman Company. Like Tammany Hall and various other

¹ From W. T. Stead's book on Chicago.

effective institutions in America, not from the broad basis of the popular will, but from the apex of the presiding boss, Mr. Pullman was his own boss. He laid out the city, and made the Pullman Company the terrestrial providence of all its inhabitants.

Out of a dreary, water-soaked prairie Mr. Pullman reared high and dry foundations, upon which, with the aid of his architect and landscape engineer, he planned one of the model towns of the American continent. Here was a captain of industry acting as the city builder. With his own central thought dominating everything, the city came into existence as a beautiful and harmonious whole. He achieved great results, no doubt. Before long the increment of the value of the real estate on which Pullman is built is expected to amount to as much as the whole capital of the Pullman Company. Every house in Pullman is fitted up with water and gas and the latest sanitary arrangements. Grounds have been laid out for recreation and athletics; there is a public library, schoolhouse and popular savings bank, theatre, and a great general store where the retail distribution is carried on under the glass roof of a beautiful arcade building. It is a town bordered with bright beds of flowers and stretches of lawns, which, in summer time at least, are green and velvety. It has its parks and its lakes and its pleasant vistas of villas, and, in short, Pullman is a great achievement of which not only Chicago but America does well to be proud.

It was not a philanthropic but a business experiment, and none the worse on that account. The great principle of *quid pro quo* was carried out with undeviating regularity. If every resident of Pullman had gas laid to his house, he was compelled to pay for it at the rate of \$2.25 per thousand feet, although the cost of its manufacture to the Pullman Company was only thirty-three cents per thousand feet. Ample water supply was given, with good pressure, but of this necessary of life the Pullman Company was able to extract a handsome profit. The city of Chicago

supplied the corporation with water at four cents per thousand gallons, which was retailed to the Pullmanites at ten cents per thousand, making a profit large enough to enable the corporation to have all the water it wanted for its works for nothing. Thus did the business instinct of Mr. Pullman enable his right hand to wash his left, and thereby created at the very threshold of Chicago an object lesson as to the commercial profits of municipal socialism. But between municipal socialism, representing the co-operative effort of a whole community voluntarily combining for the purpose of making the most of all monopolies of service, and the autocratic exploiting of the whole population of a city, such as is to be found in Pullman, there is a wide gulf fixed.

As a resident in the model town wrote me, Pullman was all very well as an employer, but to live and breathe and have one's being in Pullman is a little bit too much. The residents in the city, he continued, paid rent to the Pullman Company, they bought gas of the Pullman Company, they walked on streets owned in fee simple by the Pullman Company, they paid water tax to the Pullman Company, indeed, even when they bought gingham for their wives or sugar for their tables at the arcade or the market-house it seemed dealing with the Pullman Company. They sent their children to Pullman's school, attended Pullman's church, looked at but dared not enter Pullman's hotel with its private bar, for that was the limit. Pullman did not sell them their grog. They had to go to the settlement at the railroad crossing south of them, to Kensington, called, because of its low row of saloons, "Bumtown," and given over to disorder. There the moral and spiritual disorder of Pullman was emptied, even as the physical sewage flowed out on the Pullman farm a few miles further south, for the Pullman Company also owned the sewerage system, and turned the waste into a fluid, forced through pipes and conducted underground to enrich the soil of a large farm. The lives of the working-

men were bounded on all sides by the Pullman Company; Pullman was the horizon in every direction.

All this provoked reaction, and a feeling of resentment sprang up in the model city against the too paternal despotism of the city builder, and so it came to pass that the citizens by a vote annexed themselves to Chicago, of which it is now part and parcel. This was a sore blow and a great discouragement to Mr. Pullman. But no annexation can destroy his control over the town. It is still the property of the corporation, of which he is the chief and controlling mind.

Women's Need of Legislative Protection.¹

More than one hundred and eighty thousand women and girls are employed as laundresses, according to the census. Their work-places are thickly scattered throughout the country and all over London, gathering thickest in the south and northwest quarters, and still include thousands of those small proprietors whom Mr. Asquith proposes to bring under the Workshops Acts. Let me describe the premises of the worst class.

CONDITIONS OF LAUNDRY WORK IN LONDON.—You enter a small room, ten or twelve feet square; the air is stifling, the window thick with condensed steam, the walls trickle with moisture, the floor is in a deep slop of dirty water. Some six or eight women are packed close side by side, bending over tubs placed on broken chairs. They stand on loose bricks or bits of board, but their boots are soaked through, and their cotton dresses are saturated with soapy water and perspiration. Lines are stretched from side to side of the low room, from which damp flannels dangle round the heads of the occupants. Very often the copper is in the same room, and a sickly smell rises from the dirty clothes boiling in it. In the next room, or quite as

¹ Extracts from article on "The New Factory Bill: as it Affects Women," by Evelyn March-Phillips, in *The Fortnightly Review* for June, 1894.

often, in one overhead, where the steam and damp from below rise through the boards as mist rises in a damp valley at nightfall, ironing is carried on in a temperature of from eighty to eighty-six degrees. More clothes dry on lines; the gas stove, for heating the irons, generally radiates from the middle of the room, and gives forth its disagreeable and unwholesome fumes. The enamel-like polish now required on gentlemen's shirts has added another evil. It is obtained by the use of a convex polishing-iron, which necessitates a peculiar push, trying and injurious to the ironer's chest, and by overwork at which I have seen a strong, apple-cheeked girl of eighteen reduced to a wreck in eight months. On the mantelpiece stand half-empty glasses, and the smell of stale beer is added to the other odors. The women, as they work, literally drip with heat. Amid such surroundings crowds of them pass their daily life. Here they stand, day after day, for hours ranging from ten to fifteen. They keep up their flagging strength with beer, which is sometimes supplied in addition to wages, but more often bought cheap and retailed dear by the proprietor. The habit of taking it is encouraged on account of the increased speed to which, for a time, it stimulates the women. It is not surprising that among laundresses intemperance is the rule, that the morality of the half-brutalized toilers is below the average, that the women themselves speak of the life as "murderous," and often return home, "past eating, standing, or thinking," that rheumatism is a common, consumption a not uncommon, complaint among them.

In the steam and larger hand laundries the buildings are often good, and conveniences of all kinds are provided, but the hours are as fearfully long, the temperature is as high, ventilation often bad, and the air vitiated by gas. Out of thirty laundries visited by Miss Collet on behalf of the Labor Commission, twenty were found to be working over factory hours, even at ordinary times, some for twelve hours with only fifty minutes for meals, and with from

one to three hours added overtime on several days of the week. According to the report of the lady commissioner for Scotland, matters there are in an even worse state. The hours constantly reach fifteen and even seventeen, and in one steam laundry working night and day, with double shifts, they held on for twenty-four hours. Women work up to the last before confinement, and often return to work three weeks after. Even in a fairly constructed laundry, it is common for them to have their meals sitting on turned-up pails with their feet in the water. Wages range from 2s 6d to 3s a day, with 1½d to 3d for overtime; fine ironers sometimes get more, but a girl in a provincial town told me that for polishing two hundred collars overtime she only received 1s 6d.

One of the worst features of the steam laundries is the employment of children, who stand the whole day in the hottest parts of the place, for longer hours than those allowed to adult women by the Factory Acts. The hard work of the married women has a very deteriorating effect upon their husbands, who "loaf" more habitually in this class than in any other, except perhaps in that of the casual dock laborer. In fact, to find a respectable married woman taking to the trade, is almost always a proof that the husband, from drink or other causes, does not do his duty by the home. It has been stated of one suburb, in which it is the staple industry, that "the women all drink, but they work; the men drink, but do not work." This is no sensational description. The information has been gathered with careful pains for the Labor Commission. These, or some of these, conditions exist in by far the greater proportion of laundries.

WORK IN HAND LAUNDRIES.—The opponents of the clause will direct their strongest efforts to the exclusion of hand laundries. It is contended that the bill will ruin small proprietors, and drive all washing into large steam factories, leaving numbers of widows and wives whose husbands are sick or out of work, without employment.

Married women, it is said, find it more convenient to work three or four long days in each week, than to leave their homes and children every day for eight or nine hours. But it is precisely in these small laundries, as I have endeavored to show, that the worst evils flourish, and though their partial extinction may be attended with some unavoidable hardships, it will not be a matter for serious regret. There are improvements, such as height and space, electric light and electric heat for irons, the steam polishing iron lately invented, which are only procurable by large companies. Not that the small laundries are likely to die out; they will be supported by the large number of single customers or the very small families whose washing, however important to themselves, is unwelcome to the large proprietor, who treats them with scant consideration, and often refuses their work altogether. It is alleged that men and boys will be taken on and the women thrust aside. This has not yet happened in large steam companies, and most of this is work which women will always do better than men and for lower wages. Much has been said of the hardship of refusing to let women make hay while the sun shines, in what is, in many places, a season trade; but in London and large towns regular workers are, to some extent, migratory, and move in batches to the nearest seaside resorts for the holiday season. The secretary of a trade society tells me that she receives letters in the autumn from laundry proprietors in Ramsgate, Margate, and Folkestone, asking for lists of workers. A greater danger is that the exclusion of "domestic" laundries from the Workshop Acts will give rise to a system of sweating and sub-contract, in the giving out of work to a number of small cottage homes, where it will be done under the worst sanitary conditions, at all hours and for any wages. It is not easy to see the force of the total exemption of this class of home workshop from an act which includes every other, and one does not like to think of the unrestrained use and abuse which may and will be made in it of child labor.

It is still asserted that the workers do not, as a whole, ask for protection or agitate spontaneously. Those who know the poor do not need to be told that they regard a bird in the hand as worth a whole flight in the bush; but even so, the brief extracts given in the official reports to the Labor Commission are moving enough.

THIRTEEN HOURS A DAY.—Two women, who were working eighty hours a week, burst into tears when telling their story, and said they had thought something was going to be done for laundries long ago, but they had given up hoping now. To another, it felt "just like heaven" to work sixty-nine hours instead of the eighty-four of her former place, where they had been kept far into the night and till three on Sunday morning. One, working from seventy-four to eighty hours a week, thinks that "we workers would last twice as long if we could only rest our bones a bit." Another complains that no efforts are made to distribute the work equally through the week; workers sit idle half the day, and slave "like brute beasts" when work comes in, to make up their earnings (these are the piecework earners); she herself and others she knows are often "fit to drop" with exhaustion consequent on periodical overstrain. A widow, with one child to support, earning 10s a week and 1 1-2d to 2d overtime, told Miss Irwin that she had been praying for the Factory Act for years, and would far rather have the spare time than the money. In 1891 the laundresses themselves canvassed every laundry in London, with the result that nearly 66,000 women out of 67,506 voted for inclusion in the act. The public has been for long accustomed to have any quantity of washing done at any hours and in the shortest space of time. Some inconvenience might be felt at first during a readjustment of work, but in many cases it is only a matter of better arrangement, and when once the system was reorganized any modifications would soon cease to be looked on as a hardship. As regards prices, good organization on a large scale has not hitherto been found to mean increased

expenditure, and there is no fear that in the end the mass of smaller and poorer customers will be driven out of the market; but it is earnestly to be hoped that the large establishments, from which all healthful and economical improvements must be looked for, will not be unduly burdened with disadvantages.

The clause proposing to authorize the Home Secretary to limit the hours, and, if he thinks fit, to prohibit the employment of persons in trades dangerous not only to life and limb but also to health, constitutes a very important innovation. It may, and at many periods will, remain a dead letter; but under a strong administration it is a lever for the enforcement of special rules and for stimulating the invention and adoption of special remedies which everyone knows will be forthcoming when it is worth while to spend thought and money upon them.

LEAD POISONING.—A protest has been entered against the power to dismiss women from trades in which men continue to be employed, but the Factory Acts always have recognized a distinction between men and women, and the reports to the Labor Commission on the white lead industry, which is the point now under consideration, sufficiently establish the fact that women and girls are more sensitive than men to lead poison, some indeed suffering so acutely that they die within two or three days of being attacked. Out of one hundred and thirty-five cases admitted into the Newcastle Infirmary within five years, ninety-four were women. Eleven out of twelve deaths at Sheffield from the same cause were women. Circumstances render them peculiarly liable to infection, and the worst feature is the fatal effects upon children at the birth. Miss Abraham's report instances one woman who has lost five infants, another who has lost four, from convulsions, caused by lead poison in the mother's system. About six hundred women are reckoned as employed, so that in the event of prohibition no very important numbers will be interfered with; but the numbers, though small, are localized, so that

considerable hardship will be inflicted unless the change is made very gradually and with some provision for those thrown out. It is not easy to persuade the women, and particularly the young women, who pursue those trades to increase precautionary measures, or to obey special injunctions. The Lords committee desired that the female chain and nail makers should leave off using the heavy sledge hammers and making chains above a certain size, but they are still working with the very same hammers and carrying chains weighing a hundredweight round their necks all day, with what consequences to themselves and their unborn children it is not hard to imagine. At the same time many people who allow the urgency of special circumstances, but who also know that women workers suffer from the jealousy of men, will feel dissatisfied unless they receive some adequate safeguard against hasty or prejudiced decisions.

OVERTIME AND HOME WORK.—The substitution of three for five days a week overtime¹ seems an excellent provision, as is also the clause relating to the taking of home work to be done out of factory hours. Doctors agree that one cause of the great increase of anæmia among young women is to be traced to the long hours they work between the ages of sixteen and eighteen, when their health is most easily shaken. Some hold that it is not advisable to include women with young persons in these restrictions. If, however, a distinction is made in favor of grown women, it will become easier to escape the inspector by employing these, and an impediment will be thrown in the way of young girls seeking work at an age when they are most likely to learn a trade thoroughly, and most liable to get into mischief if they have none, and fresh impetus will be given to the labor of married women—the wage-earning class which it is least desirable to encourage. At first

¹ This limitation may interfere unduly with certain textile trades, which depend on fashion and have to raise their stocks at short notice, while the skill necessary would forbid the employment of temporary hands.

sight it may seem arbitrary to forbid grown-up women to take home extra work, if it suits them, when it is pleaded that the practice makes an addition to their earnings; but, as a matter of fact, both women and girls do as much overtime, and will get as much out-work as they choose, by merely going off and working for, or taking work out from, another factory. The point of legislation is that it precludes the employer, in busy times, from requesting his hands to work late hours—a request which is in effect a command.

PIECEWORK.—Section 25 of the bill extends what are called the “particulars” clauses in the act of 1891, which provided that employers in the weaving trades should price their piecework beforehand, from weavers only to, practically, all persons employed in textile, glass, and china factories. There seems no sufficient reason why this provision should stop short at the trades specified. The refusal to price piecework beforehand is one of the points upon which workers are sorest, and it forms one of the most fertile sources of ill-feeling between employer and employed. The ignorance in which the latter works, as to the amount of wage which is to be taken home at the week’s end, is vexatious and demoralizing. It is a grievance with the coal miner, with the East End box-maker, and with the miserable needlewoman, who receives 3*d* for a pair of trousers when she is expecting 4½*d*. There is probably no piecework trade in which the workers would not welcome this protection.

The exceptions which apply to packing and polishing in the original act, and which are now extended to textile factories, exclude from any supervision, as far as hours are concerned, what are, to all intents and purposes, large factories, and also many small and wretched workshops. On the whole the large tea-packing and other warehouses compare favorably with factories, but there are small workplaces in which every unfair advantage is taken of the exception.

DIRTY TRADES.—I know of one, a drysalter, *i. e.*, a

trade which bottles oils and drugs, where little girls, fresh from school, work for longer hours than adult factory hands, at a dirty, disgusting trade, saturated from head to foot with strong-smelling oils, in a little workshop made out of an old stable. They get no Saturday half-holiday and earn but 5s or 6s a week. A girl getting 9s was put on to work a crane, lowering and raising heavy weights, where a man had been previously employed. The girls are frequently not paid anything for overtime. Metal burnishing is another trade in which the employees are at liberty to work excessive hours. It is a very trying occupation, as lime and rotten stone are used; the air is thick with lime dust, and the burnishers, many of whom are woman, suffer very much from sore eyes. Walking in Clerkenwell, you can recognize the metal polishers and burnishers unmistakably by this invariable characteristic. The packing of ammonia and caustic is another employment in which reasonable hours are desirable. The fumes are so overpowering that doors and windows have to be kept open in the coldest weather. The exception of such trades as these from protective legislation is altogether an anomaly.

It is in clause 13, dealing with tenement factories, that we take note of the introduction of the thin edge of a great principle, which may prove a departure of the first importance. As it stands, it will chiefly affect such workshops as abound in Sheffield, Aberdeen, and other towns. In these mechanical power is applied to a building, which is then let out in small spaces, "seats," or "troughs," to individual workers, each space becoming, by law, a separate factory. In Sheffield, firms fit up old cottages, which would only fetch 2s 6d a week as ordinary dwellings, with grinding-wheels, and let them for as much as 18s a week per room. Hitherto the responsibility for the conformity of a building to factory laws has rested with the occupiers, poor men and women, without money either for keeping their surroundings in proper order or for paying fines, which the inspectors know it is hopeless to press.

BAD SANITATION.—As a natural consequence, sanitation in the tenement factories is in a very bad way. Machinery is unprotected and dangerous to life and limb. In many cases there is no fan, and you cannot see across the room for the dust. Men and women come out white with bone dust, which has a very disagreeable smell, or as black as miners from working with ebony and metal. The sanitary arrangements are often in a dreadful condition, and make the workshops unfit for any human being to work in. Cutlery and file cutting are skilled but sedentary and unhealthy trades, in which the workers are liable to wrist-drop and blood poisoning, and fresh air and light and dry workshops are essential. It is now proposed, for the first time, to make the owner, instead of the occupier, liable for the observance of sanitary conditions, for the proper fencing of machinery, and for the necessary means of fixing a fan or other mechanical contrivances. This step will ultimately lead to the closing of many of the dilapidated premises; but when the high rents obtainable for narrow space are regarded, there is no fear that capital will neglect to provide more suitable quarters.

The principle of holding the landlord responsible for the legal fitness of his property is one of those which has long been preached by some who have most carefully considered the causes underlying the low wages of the sweated trades. The fact that the experiment is contemplated, even in so limited a form, is a certain consolation for the great omission of the bill, an omission which must be a deep disappointment to all who had hoped that an organized attempt was about to be made to grapple with the ultimate problem of home work. When the report of the Sweating Committee was issued, four years ago, public attention was, for a time, arrested, but nothing whatever has been done toward dealing with the evil. The Labor Commission shows things to be as bad as ever, and there is no doubt that, aided by the well-meant subsidizing of charity and the "bounty-fed" labor of married women and

girls working in their own homes, the minimum wage now paid can and will be driven down below starvation point. As it is, the fur-sewers, who, when in full work, earn from 4s to 7s a week, and in summer perhaps 2s 6d or 3s; the casual hands, who often only take 3s for a week's work, cannot live upon their pay, though many die upon it. Men coat-finishers, in full work, work from six to ten, on many days till twelve or later, and not a few only average 15s a week. In this very month of May a nail-maker hung himself with his own chains at Cradley Heath because he was only earning 5s a week, and heard that wages were to be reduced still further. The middleman, upon whom so much abuse was often unjustly expended, has in many cases vanished, and now the worst-paid work is given out direct from wholesale houses; women get, for instance, 6½d for entirely making moleskin trousers, finding machine and thread—this last costing 1½d a pair—not to mention the additional strain of carrying heavy bundles to and from the warehouse, and sometimes having to wait for hours for fresh work.

HOME WORK OF WOMEN.—Home work has a pleasant sound when we picture the mother able to look after her little ones and working in her leisure time by her baby's cradle; but what, in very truth, are these domestic workshops when we climb the rickety stair, or grope our way into the stifling cellar? The report of the Lords Committee supplies us with plain official samples.

“A workshop is erected on an area which was formerly the yard of a house. The walls are reeking with wet, the roof is constructed in such a manner that it leaks badly, and always will leak. The flooring in many instances is on the earth, which is not drained as it should be.”

“A room about 12 or 14 feet by 10, and 8 feet high, as near as could be judged by the eye; in this room was a large bed, the only bed in the room, on which the mother of the family was dying of consumption; although it was summer there was a large fire in the room, before which

the husband was at his work as tailor, pressing cloth, and so, of course, filling the air with steam. Beside him was his son, also at work, and playing on the floor were two or three small children; all crowded into a room which would properly contain two or three people at most."

There is absolutely no reason why this state of things should mend. The system moves in a cycle, of which it has been well said, that "As long as home-workers are 'free' to offer, and employers to accept, this labor, and as long as it pays, it will continue to exist. It will pay so long as it is offered cheap. It will be offered cheap so long as the supply continues to bear the present relation to the demand."

I listened lately to an eloquent address, at a political meeting, which was busying itself with the question of women's employment. "We should rouse a strong public feeling in these women," said the speaker; "we should instil a sense of loyalty to their fellow-workers and form them into a strong organization." Excellent words; but they sounded like a rather grim joke, as applied to women making coal-sacks at less than a farthing each, or sewing shirt fronts and neckties at a penny an hour; "working all the hours God sends," hemmed in by creatures as wretched as themselves, who watch to snatch the bread out of their mouths and to tread them down in the struggle for existence. The chronic exhaustion and depression of their lives, their ignorance of the circumstances which govern themselves and their miserable rivals, the terror of losing by one false step the pittance which just keeps body and soul together, crush out all the energy and resolution needed for effectual protest and combination. . . .

DEADLY TRADES.—When one stands in the fetid atmosphere of these so-called "homes," and sees the tiny single room, crowded with evidences of the trade—match-box making, fur-pulling, slipper-finishing, or what not; food, cooked and uncooked, in old frying-pans and all sorts of dirty utensils, mixed up with the articles in course of

construction; garments made for the public laid upon the filthy bed, perhaps covering a sick person—it is difficult to believe in any system which encourages the manufacture of wholesale goods in this piecemeal fashion. Skilled work, depending on the talent of the operator and commanding a fair wage, may well be carried on in individual homes, but cheap and unskilled industries must be drawn together into large, airy factories, if there is to be any hope of insisting on proper conveniences and a reasonable limit to the hours worked, places within reach of the public eye, where public opinion has some force in determining a decent wage, and where the congregation of the workers tends to foster the growth of combination. Among the desirable results which might be hoped for is the increased application of steam-power to the cheap clothing trade. Cases are fearfully common among women of paralysis, nervous disorders and premature birth, due to the ceaseless vibration throughout the frame of the hand-and-foot sewing machine, worked for long hours at top speed, more especially when heavy goods for men's wear have to be made up against time.

Contributed.

Correspondence on all economic and political topics is invited, but communications, either for private use or for publication, must bear the writer's full name and address, and requisite postage must be inclosed for return of manuscripts or answers to communications. The editor is responsible only for opinions expressed in unsigned articles, and reserves the right to criticise freely views presented in signed articles, whether invited or not. Typewritten manuscripts preferred.

State Aid to New York Railways.

FRANK L. MCVEY.

The project of uniting the Hudson and the lakes by canal had engaged the attention of the people of New York from the earliest period. The physical aspect of the region was peculiarly fitted to attract the attention of those examining it.¹ The attention of the provincial legislature was called to it as early as 1768 by the governor of the province.

The condition of affairs preceding the Revolution, the war and the constitutional struggle which followed drew the attention of the legislature from the plan of building the canal across the State. In 1808 the matter was again brought before the legislature, which resulted in the appointment of commissioners to survey the route. The country and neighboring States were appealed to for aid, but the State, as Tanner says, "was fortunately thrown on its resources."² The war of 1812 broke up the board of commissioners, and nothing was done until after the peace of 1815. The subject was then revived and pushed with energy. Mass meetings were held in the different parts of the State, which resulted in the appointment of another board and the Internal Improvement law of 1817. Under this law the Erie canal was commenced July 4th, 1817, and opened for use October, 1825. Other canals were made in different parts of the State until there was a connected system of waterways. The cost to the State of this great

¹Tanner : Canals and Railroads of the United States, p. 50.

²Ibid, p. 51.

undertaking was \$12,072,032.25.¹ The Erie canal with its feeders was three hundred and fifty miles long, while the total mileage of the canals in the State in 1830 was about four hundred and seventy-five.

According to the computation of the comptroller, the surplus revenue had in 1838 paid the interest on the debt and reduced the principal to \$8,459,069.17. This was the system with which the new method of transportation was to compete. It was owned by the State. The State had an interest in keeping it up and preventing the railroad from securing a foothold. The objection to the canals had been very strong in the counties remote from them. In order to appease this discontent, and to give the people of the southern part of the State the advantage of a quicker way of approaching the market, a loan of three millions was granted in 1836-48 for the construction of the Erie railroad.

The Erie railroad was begun at a time when business was inflated and on the eve of the crisis of '37, the period of its construction extending from 1832 to its arrival at Dunkirk in May, 1851. It was also at a time when the railroad was in its infancy, and an experiment. These things combined to make the financial history of the road a peculiar one. Politics with its discrimination fastened itself on the management which was successful or the reverse as one party went in or out. By 1845 New York was tired of aiding private works for the public's benefit, and refused to do so except in the case of the Erie. This can be accounted for on the ground that there was no canal in this part of the State, and the legislature felt it must grant the request or the elections would go wrong.

Many of the early railroads were built parallel to the canals and touched the same objective points. This brought on a conflict between the two systems of water and rail carriers. There has probably never been in the trade history of the world a contest so complicated as that which

¹See Report of Commissioners of New York on Canals for 1830.

existed between the rival systems.¹ It involved not only the interests of those days, but had much to do in forming the economic conditions which exist to-day between producer and consumer. In other words, the railroad is an all-important factor in the business of the State, and with its growth has gone that of the State's industries.

The railway era began in 1825. The tonnage of the railroads increased slowly at first, then went up rapidly, while that of the canal decreased or disappeared. The real decline of the canal was due to the superiority of the railroad in speed and working time. The Erie canal is closed nearly a third of the year, while the railroad is open the year around. The railroad can more easily build branches into the hilly country than the canal.²

The canal system had been built up by the State. Capital had hesitated to advance money to such projects unless they should receive the sanction of the State. Moreover, capital was by no means plenty, so that the railroad bade fair to be passed by for a time at least; in fact, it was a case where the State must come to the aid of the roads or do without them. New York's canals gave her an excuse to be conservative, and the money she advanced was to be considered in the light of a loan; in other words, the State was to take the place of the capitalist, but a conservative one. In 1845 the Erie railroad was released from all claims held by the State, since it had failed to pay them. In 1826 the Mohawk and Hudson railroad was chartered. The charter made directors and stockholders liable for the debts, and the State reserved the right to appropriate the road upon payment of cost and interest less the receipts. This was not sufficient incentive to induce capital to take up the charter, and in 1828 it was favorably amended. Before the State assisted a road a corporation must be formed which represented at least half of the capital required to build the road. 1832 saw the opening of the Tonawanda road. The

¹Development of Transportation Systems, p. 13.

²E. J. James in Publications of Economic Asso., Vol. 5, pp. 13-15.

charge for passengers was restricted to four cents per mile. Nearly all the charters restricted the amount to be charged for carrying passengers. It did not enter the mind of the lawmaker in those early days that the railroad would carry freight and compete with the canals for the carrying trade of the State. If this had been generally recognized, it is doubtful if the earliest roads would have received the encouragement they did.

Fifty different roads received aid from the State and the people. Ten¹ of these received money direct from the State treasury; the remainder were aided by the cities, towns and villages. The entire amount advanced by the State was \$9,060,591.04. The State received in return from sales and redeemed bonds, together with the canceled bonds, \$1,556,152.73. Many of the roads mentioned in the footnote are not recognized by the names under which they received aid. The majority have been merged into the New York Central or Erie systems. The State never intended to give money to a road, but only advanced it in order that the roads might the more easily carry out their plans. In every case the roads coming into the hands of the State, by failure to pay principal and interest, were sold for small sums and only after the interest had been advanced equal in amount to the original principal.

The counties, cities, towns and villages contributed liberally. Out of the sixty counties in the State the people of fifty-one gave sums varying from five thousand dollars to over three millions. The number of cities, towns and villages contributing was two hundred and ninety-four.

¹The Erie road received \$3,000,000 for bonds and \$3,217,096.86 in interest; the Auburn and Syracuse, \$200,000, afterward redeemed by the New York Central; Auburn and Rochester, \$200,000, redeemed in 1861; Tonawanda, \$100,000, redeemed in 1865; Long Island, for bonds and interest, \$108,882.49, which was redeemed in 1876; Schenectady and Troy, \$100,000, redeemed in 1867; Ithaca and Owego, for bonds and interest, \$650,814.67; Canajoharie and Catskill, for bonds and interest, \$380,000; Hudson and Berkshire, for bonds and interest, \$303,797.02; Albany and Susquehanna, \$800,000, which was afterward canceled.

SUMMARY.

Eight cities gave over \$500,000.

Eight cities gave between \$250,000 and \$500,000.

Sixty-four towns and cities gave between \$100,000 and \$250,000.

Seventy-one cities, towns and villages gave between \$50,000 and \$100,000.

One hundred and forty-three cities, towns and villages gave less than \$50,000.

Nineteen towns having over 7,500 inhabi-

tants each gave	\$12,586,338.78
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While 275 towns having less than 7,500

inhabitants each gave	17,392,567.00
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Making a grand total of	\$29,978,905.78
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This amount was given by the people in their capacity as cities, towns and villages, and combined with the amount given by the State makes the sum of \$40,039,496.82.¹ The amount invested in railroads in the State of New York is estimated at \$500,000,000.² The fact that the greater part of the amount subscribed by the towns was given by the smaller towns shows the interest which the people had in the successful outcome of the railroad. Although the amount contributed is only about 12 per cent of the total investment, still it was a large sum in earlier days. The people received no return in the form of bonds and stocks, but it was an out-and-out gift which was given in order to establish a new and better mode of transportation.

The legislation concerning railroads up to 1850 was based on the idea that railroads were public highways. This idea can be traced to the law of 1807, which fixed the amount to be levied by the State on canals and turn-pikes.³

¹Exhibit No. 1, July 9th, 1879. Railroad Investigation.

²Mr. Depew's speech before the Railroad Investigation Com., Vol. IV, 3716.

³Vol. I, p. 99, Railroad Investigation, 1879.

DeWitt Clinton and Gouverneur Morris insisted that the canals should be constructed by the State in order that they might not fall into private hands and become monopolies. The very opposite plan was followed in regard to the railroads. Individuals were encouraged to build railroads and were granted immunity from State interference. 1850 is the dividing line which separates the period of enthusiastic construction from that of interference on the part of the State. Up to 1848 every charter was a special concession from the legislature. In the period between 1828-41 there were only five laws passed which affected railroads and these were favorable, the most important being the right to negotiate with Indians over whose lands it might be necessary to construct a road (1836). In 1846 the State constitution was amended in Art. VII, Sec. 9, in such a way as to put an end to the giving or advancing of money to any corporation, association, or individual on the part of the State. The cities, towns and villages then took the place of the State as patrons. During these years the State ownership of canals crops out in the endeavors of the legislature to secure an advantage over the railroad. The business of the canals had been so seriously affected by the competition of the railroads, that a clause was introduced in the general railroad law of 1850 to compel railroads parallel to a canal to pay all receipts on freight carried over that part of the road parallel to the canal, into the State treasury. This section was repealed in 1851, and for the next twenty years the railroad is not materially interfered with, although many regulations were passed by the various legislatures. In some cases the subscriptions of the cities and towns had been secured by political manipulation. The natural outcome of such attempts was the law of 1866, which declared in substance that no city, town or village should contribute to railroad enterprises without the consent of a majority of its citizens, a list of whom must be filed with the town clerk. It is evident that fraudulent lists had been filed, for in 1872 the matter comes up again and is dealt

with in a constitutional amendment, Art. VIII, Sec. 11, which declares that no county, city, town or village shall hereafter give money or property, or loan its money or credit, directly or indirectly, to any association or corporation, and must not own any stock of any association or corporation. The same restriction is laid on the State in section 10.

This ends the interesting chapter of financial aid on the part of the State and its cities and towns for the construction of railroads. There is an economic lesson to be found in it which goes far to show that even an approach to government ownership or patronage is apt to prove an undesirable thing, for the same end may be obtained by waiting for individual effort to bring it forth.

Silver, Gold and Shipping.

WM. W. BATES,

Ex-Commissioner of Navigation for the United States.

The present time seems to be the day of problems and deferred solutions. The industrial world is thinking why half the value of silver has been lost, and how it may be best restored. The financial world, having profited by the rise in gold, is wondering why labor is dissatisfied, and how it may be reconciled to lower prices. A great question for the United States is this: How can the exportation of gold be prevented, and why does it obey new rules? Surprise is felt at the Treasury that so much gold is going abroad, when there is already in the Bank of England the largest reserve on record, and the so-called "balance of trade" for ten months past has been uncommonly in our favor. No financial distress exists in Europe, yet the outflow of government gold averages a million dollars a day.¹ The banks of New York are full of idle money, the coin vaults of London are bursting with redundancy, but the Treasury is low and seventy-five millions short. In the first

¹In June.

ten months of the present fiscal year, imports of merchandise have fallen off, in dutiable goods nearly 35 per cent, in free less than 14 per cent, and on the average 24 per cent. Probably 35 per cent less money than last year has been expended in freights.

With these conditions existing, one is inclined to ask, what is the matter with gold? Are the capitalists of Great Britain beginning a struggle for its possession and hoarding? If that is the case, and it looks like it, our government cannot begin too soon a resistance of such taking and appropriating of the life-blood of commerce, a confiscation dictated by greed and the spirit of misanthropy. Great Britain has long commanded the commerce of the world, and got at last such a cinch upon its wealth that further progress in her profitable course may well be on the line of stripping debtor nations of their supply of gold. None know better than the bankers of Great Britain that there is not gold enough in the world's supply to provide for the trade of all nations, unless the utmost confidence, fairness and liberality shall prevail at all times, a state of things impossible of existence, and a situation in itself a reason for a bimetallic standard.

While the question of standard is one of suitability and safety, of convenience and utility, it should be borne in mind that all nations, the world at large, have equal rights in its choice and adjustment. Money must serve commerce. It must be adapted to international uses, at least to the extent of settling trade balances. Its minimum quantity for this use depends, of course, on the difference and shortcoming on one side or the other. It has been a trick of trade from time immemorial to depreciate another man's goods, or another nation's money, and to require balances paid in standard coin, silver or gold, as the law of the land in which the debt is paid may provide. International transactions are balanced by bills of exchange, the credit of one individual paying the debt of another, through the agency of banks, so far as credits may be

available. When these are exhausted, coin must be used. The commercial movement of money is not hard to understand. It goes out or comes in either to buy something or to pay for something already bought. While money is sometimes exported or imported for purely financial purposes, especially to and from Great Britain, it seems silly to teach that the "tariff procrastination has frightened gold away," or that "prompt tariff action" would stop its flow. It is just as foolish to explain that gold goes forth and back, like a shuttlecock, seeking the most profitable employment. Gold is not used in that way. It is a master rather than a servant. Its principal use is, first, as money of redemption and reserve; second, as money for the discharge of international debts, especially to gold standard nations. There would be no danger in silver going abroad.

The menace in gold exportation, like the poor which it may create, will be always with us, while we run in debt to Europe. If silver exportation could be substituted for gold, we would be no better off, even if its money power was restored, since the danger lies in debt-making, and the evil is commercial, and not financial. Rates of interest and prices of exchange may affect, but cannot control, international payments. Securities at their best never discharge, but only postpone, receipts in full for coin. The rule of trade is, pay as you go, or serve your creditor. Thus, of old, debts made slaves. The confusion created by mixing problems of finance with questions of commerce will disappear the moment we see their true relations. It is for the merchant to buy and sell, and for the banker to loan and transfer the money used in transactions. The merchant makes the debts, and it is for him to pay them. Exports must pay for imports. For adverse balances, coin must take the place of goods. It must be the merchant's coin that the banker sends abroad.

We must look, then, to the merchant, and not the banker, to keep our international accounts even. Right here is where our money trouble begins. The merchants

of a country, naturally and fitly, should carry on its trade, keep its balances small and provide for its safety. They should, of course, be citizens. But our merchants, who are they? By a large majority they are not our merchants at all, but those of many foreign countries, each one working for himself and his native land. American interest has no attention, care, or plan. Foreign dependence has thrown it over to necessitation, chance, and a run of luck. But for the regulating action of a protective tariff our commerce would have developed the present distress years ago. It is mainly precipitated now by the operation of "tariff reform."

That there is a fundamental cause for the evils now prevailing, that there is some policy in which our government has been wrong, is certain. What is it? We talk about remedies, but have we diagnosed the disease? Is its source in the McKinley bill and the dislike of Europe. Consequently, must we modify our tariff system? Is its root in the "disgust bred abroad by the woeful performance of the American Senate"? Do we acknowledge the authority of any foreign master? Perhaps we do. We have demonetized silver in deference to British opinion. We have undertaken to unprotect our industries in the interest of all nations but our own. What more is necessary? Why, the sale of bonds for gold, that our balances of trade, past and present, may be settled. An issue of fifty millions to maintain reserve has lasted five months, and another fifty will soon have to follow, and that in turn be succeeded by another. All this we see, and yet know nothing; and the more we do the will of Europe the less shall we learn.

Commerce and money have a third partner, whose close relations must be known before we can perceive the error in our policy, and set about its correction. From a practical point of view, the transcending fact stands out, like the peak of Teneriffe at sea, that we have become a shipless nation. Of the 1,238 millions of commerce carried to and from Europe in 1892, the share of our shipping was only

one and a quarter per cent. European ships, merchants, underwriters and bankers possess our trade and transportation, control our exchanges and regulate our monetary movements. Half a million dollars a day and upward, payable in gold if wanted, is the debt created every day in the week, all the year round, by the employment of foreign shipping instead of our own. Our own, if we had it, could be paid in silver or bank notes. Plain as these facts are, we never see transportation in trade abroad taken as a factor in balancing foreign trade accounts. Stocks and bonds are often considered, but it is generally overlooked that an amount of money equal to two billions, or an average of 200 millions yearly, for ten years past, has been earned by foreign shipping in doing our ocean transportation, and is now represented by stocks and bonds abroad, that may at any time be sent back for gold.

There was a time when transportation, if omitted, cut no figure in balancing our external trade. That was from 1792 to 1861, while our share of carriage exceeded foreign. For thirty-two years past the balance of transportation has been adverse, growing bad, and getting unsafe. Taking trade and transportation together, since they are complements of each other, our foreign commerce has been running us into debt ever since the Civil War got under way. Our mercantile debt has mostly accrued to British subjects, at home or here, as they have been beneficiaries in chief, not only of the Civil War, but of the policy under which we have been beaten at sea—our sail-ship business ruined by steamers purposely subsidized. In 1866 the Treasury Secretary in London acknowledged a loss of \$5,000 daily on the carriage of ocean mails. What has Great Britain to show for sixty years of subsidy protection? Sixty-four per cent of all the steam, and 53 per cent of all the steam and sail on the ocean. In 1892 her shipping in our foreign trade paid 66 per cent of our total tonnage tax, showing that extent of participation in it, on a tonnage basis. But her tonnage, being mostly steam, carries a greater value

to the ton than the vessels of our own and other flags, largely of sail. Including the passenger traffic, it may be estimated fairly that 70 per cent of all our foreign trade and transportation is British business—made so, not so much by their enterprise as by our discontinuance of protection, and the British substitution of new forms of it for the old.

From tables of trade we find the tonnage entered and cleared in the United Kingdom, in our trade (with cargoes only), was relatively as follows in the years named:

	AMERICAN.	BRITISH.	OTHER FLAGS.
<i>Years.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>
1853	62.68	33.73	3.59
1860	66.59	28.17	5.34
1870	22.10	70.21	7.69
1880	6.82	77.15	16.03
1888	2.50	90.50	7.00

In 1892, of the transport of cargoes from and to the United Kingdom, to and from all countries, 73.44 per cent was in British vessels. The share carried in American was insignificant, one per cent in the port of Liverpool, and one-fifth of that in London. What a mockery of "reciprocity" in ocean freighting! What a humbug for us is the policy of non-protection!

Our statisticians at Washington separate American carriage from foreign, but lump the latter under a single head. We have therefore to estimate the amount of commerce done for us by British ships. Besides the trade direct, 55 per cent more is done indirect, from and to colonies and other countries. Of British foreign trade carried on by British shipping, 20 per cent is with the United States. The transportation between our country and the United Kingdom exceeds that between it and all the British possessions. It is equal to nearly one-third of all our foreign trade.

Thus it appears that a single foreign nation, the wily rival of our halcyon days, who has not kept faith in

carrying out a free shipping policy, the hateful oppressor of defenseless people, the depreciator of prices all over the world, the unrelenting enemy of silver money, the miserly demander of gold for debts, has almost monopolized the foreign trade and transportation of the United States. It is an interesting question, to what extent are we, financially, in the toils of this domineering "creditor nation"? As already stated, foreign shipping has been receiving from our trade not less than two hundred millions annually. The British share of this is over two-thirds. Including insurance, it may be taken at 70 per cent, and will reach the following figures:

Annually	\$140,000,000
Monthly	11,666,666
Weekly	2,684,927
Daily	383,561

Mercantile profits increase largely these amounts.

The foreign tax, of whatever sort, is a gold account. Different items compose this tax. A leading foreign banker has estimated our usual interest and investment account at \$110,000,000. To this he adds fifty to sixty millions expended in traveling and living abroad. Traveling goes in with transportation. Allow for living only and we have, in all, for Europe \$115,000,000. From the figures of a British statistician it may be deduced that sixty or sixty-five millions represents British interest due from the United States. Add to this for residence abroad and we have not exceeded seventy millions. It is, therefore, plain that our foreign tax is twice as great for shipping service as for interest account, whether we have regard to Europe or Great Britain, and that our total foreign tax is about \$863,000 daily, and over six millions a week.

In view of financial safety alone, say nothing of industrial, commercial, and political independence, the restoration of our shipping interest is an absolute necessity. The continuing and ever-present menace of gold exportation and frequent sale of bonds to provide money of redemption

will break up our prosperity and sooner or later destroy our government. The demonetization of silver and the want of a merchant marine in the foreign trade is in the line of perfect consistence with commercial thralldom to Great Britain. If this rich creditor nation should become bimetallic, as in justice she should, it would not relieve us altogether from the beggaring consequence of foreign monopoly of our trade and transportation. The way to have our monetary system as we want it, and to keep it so, is to have our own marine and to maintain it. Great Britain wants neither the one nor the other, and both will have to be gained against her will. Her interest is to crush every industry of the United States but agriculture, and that, too, when fate decrees. Our interest is to be independent and strong, full in employment, liberal in wages, safe in our foreign trade, calling no nation ruler on the land or the ocean, but able and willing to defend our rights, to remonetize our silver, and restore our ships to the sea.

Current Economic Review.

MR. M. D. HARTER proposes as a "safe, sane, and easy system of coinage," that an act of Congress be passed, providing that the "mints of the United States shall be opened to the coinage of both silver and gold upon the same terms as existed prior to 1873," but that no silver or gold so coined shall be a legal tender, and instead of being stamped, one dollar, five dollars, ten dollars, these so-called coins shall be stamped, one globe, five globes, ten globes, etc., and on the reverse side shall be the words, "not a legal tender."

It is singular that the penetrating mind of Mr. Harter, having got thus far, should not have got enough farther to perceive that this system of free coinage does not need any act of Congress, or law, or mint, or interposition whatever. Mr. Harter himself can open his little "globe" shop, making each of his so-called "globes," which, by the way, are not globes, of the size, shape, and alloy of our coins, and can stamp them one globe, two globes, etc., and on the other side "not a legal tender," or "not money," or "not in any sense desirable," and can offer them for sale as he would any other jewelry.

They would be of as much use to the public if prepared by M. D. Harter as if prepared by the United States. Just as many of them would be taken and used. Mr. Harter thinks the gold globes coined under such a law would have the same value as our gold dollars. Only for melting. Not for paying duties or debts. Mr. Harter's cylinders would not be coins in any sense.

HENRY CAREY BAIRD read before the American Philosophical Society at Philadelphia, March 16, 1894, a paper on "Association the Dominating Need of Man and the Keystone of Social Science." The theory of this paper is that association is the chief need of man, that the instrument of

such association is money, and that the more money we have the more association there will be. The answer is yes and no, absolutely; but what of it, either way? We think it was Mr. Samuel Weller, perhaps Captain Cuttle, who discovered that the "p'int ov a observation's in the application on't." So with Mr. Baird's desire for an abundance of money. As an abstract principle everybody will say, "Yes, that is what we all want, provided the abundance comes to us." But if a New York banker claims that the way to make money plenty is to keep gold in the country by having nothing to do with silver, and if a Colorado miner says, "No, the way to make money plenty is to give free coinage to silver and pay no attention to gold," it is obvious that some other solvent than a belief that plenty of money will increase our power of association, is necessary to enable one to vote intelligently on monetary questions.

Besides, there is a hitch in the principle. Money increases the power of association of the man who has it relatively to the man who hasn't it. But does it also increase the power of the man who lacks it, to associate with the man who has it?

The Four Hundred of New York have great "power of association" with their fellow men by reason of their ready command of money, and doubtless also by virtue of their personal accomplishments, and their generally careful and systematic training in the habit of avoiding offense, and of accepting only the society of those who will avoid giving offense. But is the power of association of others with the Four Hundred increased thereby? Is it not, on the contrary, diminished? And to the extent that it is diminished, is not money an instrument of disassociation? Moreover, in the sense in which money is an instrument of association, *i. e.*, in acts of purchase of every kind, is not the thing for which money is paid equally an instrument of association? Land thus becomes as much an instrument of association between the landlord and the tenant, as the

money that is paid as rent for it. Labor is as truly an instrument of association between the employee and his employer, as the wages paid in its purchase; goods are as fairly an instrument of association between the purchaser and the seller as their price, and machinery is an instrument of association between those who tend it and those who own it, though the association that results is slight in some cases. Language is much more an instrument of association between those who talk and those who listen; and music, the church, literature, and the public press and government itself are all both instruments and modes of association. What is gained in the true interests of science by claiming for money the exclusive or even the leading headship in the performance of a function which all other commodities share with it in performing?

THE pedagogues, the politicians, and the plutocratic press have all had their inning, on the occasion of the recent meeting of the British Economic Association, as to the question how practical economic statesmanship (of the British kind exclusively, of course) can best be taught. Professor Nicholson on behalf of "the economists of the chair" functionally complained that those who take an active part in public affairs, and especially journalists, study political economy even less than formerly, though it is more important than ever that they should study it. Thereupon the politician in the person of Mr. Balfour replied that journalists do not study it because newspapers are founded to obtain dividends, and he doubted if sound political economy would increase them. He neglected to remember that part of Professor Nicholson's paper which charged that statesmen also neglect the study of systematic political economy, but, in analogy with his view of journalism, he must have replied that a statesman's business is to get votes, and through these to remain in power, and that a study of "systematic political economy" would not help a politician to get votes. Thereupon the *Economist*

(London) replies, on behalf of economic journalism, in effect that the economists of journalism understand and discuss concrete questions better than the economists of the colleges. The latter are too abstract, obscure and over-ingenious. They lose themselves in the maze of subtlety with which they invest mere implemental words; that they never get along to practical and useful work. The *Economist* evidently thinks that all economic theories are to their proponents equally scientific, to their opponents equally crude, and to statesmen equally useless.

LATEST ADVICES report a probability that the conferees of the House and Senate will not, after all, agree upon a tariff bill. This is the best conclusion they can reach. The heaviest tax now resting on the country, and the chief obstacle to the revival of business, is the fear that they may agree upon something. The certainty that they cannot agree upon anything whatever is the only certainty that will not plunge everything into still greater uncertainty. If they agree upon a bill there will be the new uncertainties as to how much it will stimulate imports of competing goods, how much it will depress existing manufactures and farming, whether sheep enough will be killed under free wool to send up the ultimate price of wool; whether the deepening of the industrial crisis due to the actual passage of the tariff bill will prove to be as serious as the effects of the fear of its passage have already been; whether the cut in each particular tariff rate is low enough to let in the foreign competing article freely, or whether it still leaves the protection to that article unaffected. Under all these uncertainties it will require from one to two years to learn the practical working of the new bill, and during all that period there will be the uncertainty whether it will not be repealed at an early date by a change of mind in the Democratic party or whether it will last until the return of the protectionist party to power in 1897. The doctrine advocated by Canard, Courcelle-Seneuil, Cherbuliez and so

many other eminent economists in France, and by Prittwitz and others in Germany, that "the worst old tax is better than the best new one," applies with special force to tariff duties, many of which have stood thirty years, until all business conditions have become thoroughly adapted to them, and which if now changed in principle and action are sure to be put back to where they now are within two years.

THE NEW YORK *Times* publishes a nine-column sketch of Gen. Kerwin *apropos* of his appointment as police commissioner to succeed McClave, the object of which seems to be to show that Gen. Kerwin is confidential friend to Alexander Sullivan of Chicago, who was at one time at the head of "the triangle" of the "Clan-na-Gael," one of the "lodges" in which, known as "Camp No. 20," was closely implicated in the murder of Dr. Cronin in Chicago, which crime the *Times* seeks to bring into some not very clear connection with the murder of Burke and Cavendish in Regent's Park, Dublin. Without extending any credence to the discreditable insinuations involved in the *Times* article, there seems to be enough in it to indicate that the appointment of Kerwin is a continuation of a Republican plan to capture the Irish vote through the services in great part of the clique of Irish leaders who wielded their influence for Blaine in his losing campaign against Cleveland in 1884. It is never good policy to lead off a new campaign with moves which help to place parties back in the relative positions they occupied in a lost campaign. Republicans have much new fighting ground to-day which they did not possess in 1884, and it seems quite unnecessary to take up position in the old trenches in which they then surrendered to the foe.

Economics in the Magazines.

Under this head we only call attention to the articles, in the current magazines, on social and economic questions, giving the point of view or method of treatment and other items that will serve as a guide for readers and students.

BANKING.—*Banking in Canada*, by B. E. Walker, in *The Economic Journal* (Brit. Econ. Assn.) for June. A running comparison between the virtues of Canadian and the defects of United States banking, from the point of view of a Canadian banker. He contends that the Canadian system so equalizes rates of interest that the highest class borrower in Montreal or Toronto, and the ordinary merchant in the Northwest, do not differ in the rate they pay by more than 1 or 2 per cent, whereas "in Boston a bank may be anxious to lend at 4 or 5 per cent while in some rich western State 10 and even 12 per cent is being paid."

CITY GOVERNMENT.—*What German Cities do for their Citizens*, by Albert Shaw, in *The Century* for July. A comprehensive sketch of the rapid advances made in every aspect of city life, residential or housing, public works, streets, lighting, food collecting and distribution, health, and poor relief. It tends to show that American cities are getting belated in some of their methods.

COXEYISM.—*The Downfall of Coxeyism*, by Shirley Plumer Austin, in *The Chautauquan* for July. Affords a personal insight and introduction to the men composing the Coxey army and their views.

MONEY.—*Monetary Reform in Santo Domingo*, by J. Laurence Laughlin, in *Atlantic Monthly* for July. An account of the scheme, of which we believe the writer is the author, of maintaining a silver currency redeemable in gold in the island republic of black Frenchmen. It places Santo Domingo on a gold basis, all past silver debts payable in the currency in which they were incurred, or in so much gold as it would buy, but all future debts to be on

the gold basis, and payable, if under five dollars, in silver dollars of 380 grains pure silver, which dollars, in sums exceeding five, are to be at all times exchangeable for gold dollars of 23.22 grains pure gold.

MONEY.—*Prosperity and Prices*, by Cecil B. Phipson, in the *Westminster Review* for June. This is an outbreak from American into English finance of the Kellogg-Coxey-Populist theories as to money, with a few endemic variations adapted to England. The writer holds that the banks of Great Britain, in loaning their deposits, and allowing checks to be drawn against them, have virtually become the issuers of a form of credit money, viz., checks, which in fact are not representative of coin, but in which 98 per cent of all payments for merchandise are made, and which, through banks and clearing houses, pay each other. This check currency thus becomes the means of fixing prices and determining prosperity. The writer, without argument, assumes that this is injurious and should be remedied by divorcing the function of receiving deposits from that of lending money, and relegating the former to banks to be established by the state, and the latter to bill brokers. The state banks which receive deposits will pay no interest, and will, the writer says in one place, keep in safety the deposits they receive (*i. e.*, unloaned) for checks to be drawn upon, but elsewhere (p. 665) provides for their being loaned out in the form of currency notes issued by the state, *i. e.*, "greenbacks," to the bill brokers at low rates of interest, and be repayable (to the state) in currency notes by installments spread over a sufficient number of years to make their repayment easy. Soon we may hope to see delegations of British Coxeyites moving upon London bearing on their banners, "The state shall lend us all the money we want at two per cent, payable in installments in ninety-nine years."

REPUDIATION OF SOUTHERN STATE DEBTS.—*Our Family Skeleton*, by Clark Howell, in *North American Review* for

July. Mr. Howell replies to strictures of Mr. Hume on Southern repudiation, rather in a spirit of State pride than of philosophic or financial insight. It will do Mr. Howell and States' rights no harm to admit that the question whether a state will repudiate its debt depends chiefly on who holds the debt. If its own citizens hold much of it, as in England and France, they will not repudiate it. If it is held abroad largely it is in danger! If held wholly abroad it is marvelous if it is not repudiated.

Mr. Howell prefers to argue that the Southern debts part of which were repudiated were lavishly contracted by carpet-bag governments. But as it was by the votes and action of these same carpet-bag governments that the Southern States returned to statehood and the Union, it might be thought that if they were good enough to obtain statehood by, they ought to be good enough to accept debt from.

SILVER.—*Monometallism and Protection*, by C. S. Thomas, in *Arcua* for July. This article assumes that all the protectionists are monometallists, and that the "making money dear" and prices low was a settled policy of protectionists, as it enabled them to argue that the low prices were due to the magnitude of domestic production brought about by protective duties. The writer is quite astray in his facts. Among bimetallic measures the Bland bill was the joint product of three Republican protectionists, viz., Judge Kelley of Philadelphia, Allison of Iowa, and Heath of California. Gov. McKinley has voted on the silver side of most questions. The Manufacturers' Association of Philadelphia, established to promote protection, is bimetallic and pro-silver distinctly. Jos. Wharton, of Philadelphia, Wharton Barker and Henry Carey Baird are among the most inflexible protectionists the country has ever known, yet are all "friends of silver." Senator Cameron of Pennsylvania made the chief speech against repeal of the Sherman law, yet is a representative protectionist. The *American Economist*, organ of the National

Protective Tariff League, is very warm toward silver. Hon. Thomas B. Reed, Republican leader in the House, and Senator Henry Cabot Lodge of Massachusetts have recommended that Congress adopt a policy of discriminating duties against those countries which decline to unite with us in restoring silver coinage. The National Convention of Republican Leagues at Denver has adopted strong bimetallic resolutions bordering on free silver, and all the legislation yet enacted in behalf of silver, whether wise or unwise, was enacted by Republican Congresses and signed by a Republican president.

The only man supposed by any to be a protectionist who has prominently advocated monometallism on the gold basis is Mr. Andrew Carnegie, who, if we are correctly informed, paid \$50,000 to aid in the election of a free-trade president, and publicly announced that as between a Republican protectionist who would favor silver and a Democratic free trader who would veto its further coinage he would vote for the Democratic free trader.

Mr. Flower's article is so aside from the truth on its facts that it can hardly be expected to be sound in its theories. Its general tenor is that the movement to reform the tariff has been crucified in its birth by the financial distress which a monometallic policy has brought upon the country. It says that upon the election of Cleveland the protectionist party "seemed to content itself with sullen predictions of coming disaster. But gloomy forebodings of what would be should its grasp upon the nation's throat be loosened (*i. e.*, should protective duties be repealed) were nothing new. The people had become accustomed to them from constant repetition," etc. Evidently the writer of this screed needs for his mental peace to reside in a country where all are dunces and nobody can foresee events even for a day in advance.

STATE RIGHTS.—*The Attack on the Senate*, by Charles Dudley Warner, in *The Century* for July. An argument on broad, statesmanlike grounds against the modern fashion

of proposing to "wipe out" the Senate which comes up whenever that body acts as a check on legislation.

TENEMENTS.—*The New York Tenement House Evil and Its Cure*, by Ernest Flagg, in *Scribner's Magazine* for July. Shows that the oblong form of city lots (25 x 100) prevailing in New York City involves great waste of spaces obtainable for light and air compared with that which would be obtainable consistently with preserving the same residence space if all the building lots were square, viz., 100 x 100. Mr. Flagg shows that building on the square plot saves 250 running feet out of 850 of brick wall, 330 feet out of 1,030 of interior partition, gains 66,500 cubic feet of residence contents on 490,000 cubic feet, and saves \$10,000 in cost of construction out of \$83,475, while giving every room in the square house an opening for light and air on a court 28 feet wide instead of on a well two to four feet wide, without using up any more space in openings than the narrow plan. It is easy to grasp the principle involved by supposing that every lot, instead of being 25 feet by 100, were 1 foot by 2,500, in which case the area covered would be the same but the building would be fit only for rats.

Among the Books.

An Introduction to English Economic History and Theory. By W. J. ASHLEY, M.A. Part I. The middle ages, 227 pp. Part II. The end of the middle ages, 501 pp.

The author states in his preface that "the principles by which investigation is now guided, are (1) that political economy is not a body of absolutely true doctrines, . . . but a number of more or less valuable theories and generalizations; and that (6) modern economic theories are not universally true; they are true neither for the past, when the conditions they postulate did not exist, nor for the future, when, unless society becomes stationary, the conditions will have changed. So much," he says, "all economists would allow." He defines the "historical school" of economists as those who "try to free their minds at the outset of all *a priori* theories, and to see things as they actually are and have been, using deductive reasoning only as an occasional help in interpreting the results of their investigation. Among these again there is considerable divergence of opinion as to the kind of results to be aimed at and the shape political economy should assume. An increasing number—'the historical school' in the strict sense of the word—hold that it is no longer worth while framing general formulas as to the relations between individuals in a given society, like the old 'laws' of rent, wages, profits, and that what they must attempt to discover are the laws of social development—that is to say, generalizations as to the stages through which the economic life of society has actually moved."

As we understand this, it amounts to a pronouncement that political economy as a theory of the utility of some industrial occupations relatively to others (*Physiocrates*) has failed; as a theory of the means of promoting national prosperity (mercantilists and protectionists) it has failed; as a theory of the incapacity of legislatures to promote national prosperity or individual welfare (free traders and

laissez-faireists) it has failed, and now it is to be studied as a theory of the evolution of society by the adaptation of man to his environment. This is evidently a mere chain of personal leaders in thought successively repudiated, as if we should say, Quesnay has been punctured, Colbert, Carey, List and Alison have been riddled, Adam Smith and Ricardo and Mill are exploded, hence there is nobody to follow but Comte, Roscher, Herbert Spencer and the microscopists who are in perpetual pursuit of the infinite in the little. This is as sad and blunt a confession of the failure of political economy as has been made by any of the modern English economists who have passed with such stupendous celerity from the sublime height, "we know it all," to that profound depth of pessimism, "nothing can be known."

In conformity to this theory of history, Mr. Ashley's work collects and states phenomena, emancipated as much as possible from causation—for instance, it describes the manor, that is, the subsidence of free owners in common, under a feudal chief, into enslaved tenants of a manorial lord in severalty, without describing the state of social terror and lawlessness which made it safer to have a master-defender for a patch of land than to try to go it alone; it describes the crafts and merchant guilds without holding up to view the motives and interests which artisans had in maintaining a tribal union among themselves when the processes of every art were a mystery, which to teach to an indifferent party was social treason; and it writes a history of the evolution of British commerce almost without alluding to what Lord Stanhope (34th vol. Eng. Parliamentary Debates, page 178) described as "the 977 acts of Parliament protecting our woollen industries; 964 acts protecting the fisheries; 460 acts protecting our tobacco manufactures; 283 acts protecting our currency, and 440 acts regulating the wages of labor," of all of which acts 194 were prohibitory.

Although Professor Ashley remands *laissez-faire* to

the limbo of exploded theories, yet, in deference to the *laissez-faireists*, he treats such parliamentary action as he feels constrained to mention, beginning with the prohibition of the export of wool in 1258, as being only a makeshift to induce the rulers of Flanders to satisfy certain unnamed "political demands of the English government." Indeed, on p. 195 he sums up the net results of all the legislation to the period of Edward III as being to prove that the English could not at first make the finer sorts of cloth as well as the Flemings. The revolution under which the common lands were made private by inclosure is discussed under the name of the agrarian revolution, though its tendency was the reverse of agrarian, being an absorption of public lands by those who were already private lords, rather than a distribution of lands among the landless.

In the study of the change wrought by the Reformation, in referring the care of the poor to the tender mercies of the poor rates and "the beadle," as substitutes for the monasteries and the church, while the operation is minutely traced there is no vigorous analysis of the question whether the later system is better or worse than the earlier.

The degree in which Professor Ashley's work is adopted as a text-book sufficiently shows a wide concurrence in his view both of the modern subsidence of faith in economic theory and of the expediency of eliminating economic theory from economic history. We can not resist the conviction, however, that economic history in this process of devitalization and disintegration undergoes a transfer of social power and life from the mass or body politic as a whole, to its various tissues and fibres, which is not favorable to an increase of dignity in its action or movement. An increased liveliness in its component parts is no compensation for the loss of an inspiring unity in the whole. This unity must arise from a restoration in some form of those principles of economic law about which, as about human life itself, it may be said that no possible blunders or ignorances that may from time to time

arise as to its quality or nature, can be permitted to form a basis upon which to deny its existence.

The Natural Law of Money. By WILLIAM BROUGH. 168 pp.
G. P. Putnam's Sons.

This work embodies, in egotistic form, the conclusions its author has arrived at concerning money, from an average business experience and economic reading, without bringing them into any sharp comparison with the views of other writers, or with the lessons of history and law. Thus he says, p. 34:

"Clearly there is no need of making coin a legal tender at any weight whatever."

One sentence like this dismisses the author from the domain of finance and relegates his whole book to the limbo of personal psychology. If no coin were legal tender at any weight whatever, then all contracts to be definite must call for a specific weight and fineness of gold or silver. But this would be indefinite unless there were some statute defining a pound or an ounce and making a definite quantity of those metals "legal tender" under an obligation which called for a delivery of a pound or an ounce weight of those metals; and if it were enacted that a pound should be the equivalent in weight of as much water or quicksilver as could be contained in a vessel of prescribed dimensions and given temperature, this would refer the legal tender principle back to some statutory standard of linear measure to know what must be the size of the vessel whose contents of a given article would count for a pound in weight. In short, weights and measures of every kind are themselves legal tender laws, and since legal tender laws are necessary to define a pound or a foot, nothing would be gained by trying to avoid passing one to define "a dollar." The incurrment of money debts implies a legal tender act defining the means of payment.

There are many sensible views and opinions in this book, and perhaps more with which we should agree than disagree.

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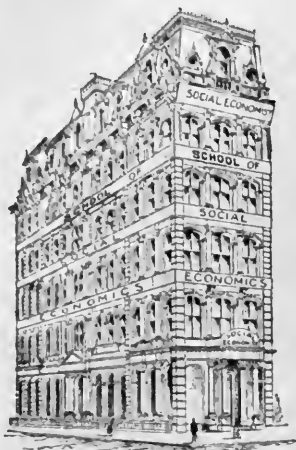
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SOCIAL ECONOMIST

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SOCIAL ECONOMIST

SEPTEMBER, 1894

What of the Gorman Law?

The Gorman tariff law is a truce. Neither the protectionist camp nor the free trade skirmish line will withdraw a single picket or change the position of a gun in consequence of this suspended engagement. It is a total abandonment of the alleged principle that protection to industries is unconstitutional, but in abandoning this "shibboleth" of the hour, the Senate, led by Mr. Gorman, has done much to relieve the Democratic party of the charge of insanity. It also abandons the alleged principles of "tariff for revenue only," of "free raw materials," of taxing luxuries as such, of taxing according to ability and of taxing according to benefits. The Sugar Trust receives back, through its aid, about sixty times the sum it subscribed to elect Cleveland. The income tax is hung, like Mahomet's coffin, midway between heaven and earth, by omitting any appropriation for carrying out its provisions. The six hundred amendments, to which sixteen seconds each were allotted for debate, are all law. The only principle which can be detected in its provisions is that named by Gorman of conceding whatever points would secure forty-three Democratic votes in the Senate. It is not as bad a bill as the Confederate veterans alone would have passed if they were the only members in Congress.

Yet it has enough decisive elements in it to set the country to watching its effects. It will decisively terminate the jute and tin-plate manufactures; it will seriously disturb several branches of the cotton manufacture, particularly hosiery; it will, together with the prostration in

railroad building, lessen the demand for the more eastern iron ores and so disturb industries in West Virginia; it is already diminishing our flocks, and will close the American manufacture of many varieties of woolen goods; it will reverse conditions along our Canadian border, giving to the Canadians more than the advantages of political union. These are points of detail which will become apparent as factories close, and profits in many industries, which have for a year past with difficulty kept up the fight, now disappear altogether.

The all-important question is, what will be the effect of the passage of the act on the general public mind? Will it restore confidence or deepen despair?

Its average purpose is to remit the producers of the United States to the crude extractive industries, cotton, corn, wheat, beef, pork, whisky and tobacco. The chief tax on all these industries is the excessive number engaged in them, and the large share of the product absorbed by transportation. So far as the people are increasingly remitted to these industries, both the competition tax and the transportation tax are increased, and the increase must make itself felt in still lower prices on all these staples.

The London *Economist* of August 18 publishes a table showing that the McKinley tariff reduced British exports to the United States chiefly in jute, linens, woolens, iron and steel, and says:

"This shows that the whole of the decline in the value of our exports of linen manufactures in 1893, as compared with 1889, is accounted for by the diminished takings of the United States, and about one-half of the total decline in woolen manufactures is due to the same cause. These two important branches of our trade have thus suffered severely, and to them the reduction of duties in the new tariff will be especially welcome. But taking an all-around view of our trade, there can be no doubt that the McKinley act did not have anything like the effect in shutting out our products that its framers hoped and expected, and for that reason it will be wise for us not to hope for too much from its modification. The lower duties will unquestionably work to our advantage, but that they will lead to any very large permanent expansion of our exports to the States is very doubtful."

The reduction in British exports of woolens effected by the McKinley law was from £21,324,892 in 1889 to

£16,404,035 in 1893, and the reduction in manufactures of iron and steel was £6,187,266. If a reduction by the McKinley tariff in two branches of export of \$55,000,000 and upward is considered disappointing to British exporters, it is evident that an increase of importation by the United States under the Gorman Act of at least \$100,000,000 in these two lines, woollens and steel, would be necessary to satisfy the demands of British ambition. Of course this implies a cessation of \$100,000,000 in the employment of American labor in these two lines alone, or \$500 a year to 200,000 laborers. And yet there are people who are such dunces as not to see that competition between the manufacturers of different nations is a form of international war more destructive than the fitting out of privateers to capture our commerce. All the depredations committed by Anglo-rebel cruisers in aid of the rebellion amounted, with interest, to only about \$16,000,000. The expected depredations to be committed on our wages market by the Gorman bill, in the two items of woollens and steel only, will be considered small if they do not amount to five times as much. We have politicians so dull as to imagine that depriving American workers of \$100,000,000 in wages is taking a burden off from the poor. And they compute the supposed "burden" as if the duty were a tax to its whole amount, notwithstanding every intelligent merchant knows that woollen clothing and steel implements, though produced often behind a protective tariff duty of 100 per cent, are sold at the average as low in the United States as anywhere in the world. Grover Cleveland is one of these dunces. A number of professors of political economy in our colleges are equally ignorant on this point. This ignorance makes them enemies of the country's welfare as truly as if they were fitting out privateers to prey on its commerce.

The Gorman law decides that the descending scale of prices is to continue on nearly everything except gold and debts. Gold is to be made still dearer than before.

Debts are to be made more difficult to pay because involving more values in their payment. Is there anything in this prospect to invite confidence? A larger volume of crops must go abroad to discharge each dollar of debt accruing in Europe. A longer duration of service at lower pay per day and per month must be required to acquit any nominal sum of principal or interest at home.

This means an increasing liability to a drain of our gold, and hence to that derangement in our finances which manifested itself in 1893. It means also an increasing enslavement of labor by its employer, a deeper prostration of the debtor to the lender.

Will there come with these object lessons an increased determination among the people not to learn the things they actually teach? Will we be compelled to coin a new adage that "Blunders may break the necks of dunces, but cannot increase their knowledge"? Adversity is after all but a poor schoolmaster. In 1857, after three years of hard times due to tariff reduction, Congress passed an act still further reducing the tariff.

It is a singular feature of the great tariff crisis through which the country is now passing, that those who were shaping the changes in the tariff were reluctant actors on this stage, because they had no sincere belief that changes were needed for any purpose except to make Democratic promises good. The Gorman law is the product of a mere political necessity under which there lay no industrial necessity whatever. This was confessed by the President when, in calling Congress together in special session in August, 1893, he virtually told them the repeal of the silver purchase law demanded immediate action, but the McKinley tariff could be mended at any time. In this Congress itself concurred by allowing McKinley rates to lie undisturbed for nearly two years after the election.

It has needed, to secure the passage of any bill, an unprecedented application of the party whip and spur. "The Democratic party will suffer disgrace unless you do

something." The bill should have been entitled, "A bill to protect the Democratic party from the charge of incapacity to pass a bill." The appeal was never based on any pretended suffering of either producers or consumers. Much nonsense was uttered about consumers paying high prices because of the tariff, in nearly all of which the facts were made to order by assuming that the price was always higher by the amount of the duty; but in all cases such arguments were insincere, and those who uttered them knew better. At almost every stage of the tariff fight, many who voted for repeal would have gladly allowed the McKinley law to remain in force, if they could have done so without breaking party vows. Cleveland's letter to Wilson reaches back to no profounder motive than the needs of the party. Gorman replies in the Senate, showing that the forty-three votes of "the party" in that body can only be had for his bill. Cleveland denounces the Senate bill as involving "party perfidy" and "party dishonor," not because it betrays industries to invasion, but because it does not betray as many industries to invasion as the party promises required. Never before did a party with all its adjuncts and interests exist only for its own benefit. This is one reason why panics, the closing of factories, mills, furnaces and banks has so little educating effect. That they indicate great mischief to the country and to all its people does not meet the Democratic conscience. It must be evident that they injure the Democratic party! That is the crucial question. So long as a negative can be interposed to that question, the party declines to learn.

To be a protectionist congressman during a free-trade administration is to be placed in a most egotistical dilemma. It is to see prophecies of evil, against which one had hoped vigorously even when he felt compelled to utter them, fulfilled fivefold. Protectionists naturally take the bear side when free traders go into power. But they do not ask that the markets shall be pounded down to zero, and that the entire period of free-trade ascendancy shall be a

succession of prostrations, panics and "shakedowns," in order that the essential incompetency and ignorance of the free-trade theory may be demonstrated anew.

Protectionists have got all their telescopes leveled ready to detect the smallest film of cometary haze that even indicates a possibility that stars of promise are dawning in any part of the heavens. For, as Democrats are not slow to find out, if there is any prosperity to be had, Republicans and protectionists are pretty sure to get their share of it. At present, however, the feeling of men of enterprise is like that of those who have just stood up to be shot at. They are only too glad if the Gorman law has missed them altogether.

Carey and Greeley.

The statesmen of all nations have ordinarily enough common sense to practice protection to domestic industry. This applies even in a case like that of modern England, where this instinctive tendency takes the indirect form of suppressing manufactures by conquest and treaty in Ireland, India, China and Japan, in order to develop them in England; and of denying protection to home farmers, in the hope to make food cheaper to her more arrogant and powerful clients, the manufacturers.

But in all countries the common sense of the great masses finds expression in a few leading minds, who, by the energy of their thought and will-power on one question, become exponents of a principle which is effective in the degree that it is held by many. English example had much to do with shaping American protectionism in the first half-century of our national existence. But had we been dependent on the examples of Spain, France, Germany and Holland the lesson would have been the same. Next to English example, at the birth of our republic, came the personal influence of Alexander Hamilton. But

as the America of modern times, of the great pro-slavery struggle and of the immigration, came to outgrow its early traditions, the two men whose personal influence did most to maintain the protectionist theory in America, as a dominating power and national faith in legislation, were Henry C. Carey and Horace Greeley.

Both were of immediate Irish lineage, self-made, and publishers. Both were men of passionate impulse, of pure ideals and of high moral and industrial habits and standards. Both were good business men, broad, careful students, accomplished writers. Neither would touch politics save to make them nobler and more honest, and neither was capable of a policy which had not for its base the broad motive of enriching, enlightening and blessing most of those whom it would affect; beginning at the deserving, but most strenuously insisting upon aiding the most needy. Two great, strong, fighting hearts beat in the breasts of these two men—beat strongly against the prison-bars of adverse social opinion, determined to break them down in the interests of a larger freedom and unity and a better social order founded upon a deeper justice than prevails. Often they beat in despondency together, sometimes in despair, and both ceased to beat amid a sense of darkness and comparative failure which far underestimated the degree in which each had triumphed in the great purpose of his life.

So far Carey and Greeley would seem to come into a resemblance to each other. Intellectually and as co-workers they were at first friends. All through the 'fifties, Carey wrote, without signature, many of the *Tribune's* leaders, pointing out how the absence of the protective policy was drifting the two sections into poverty and into war with each other. Greeley also published Carey's letters to the President, in which, with the rhythmic movement of that stately and measured prose which is an inseparable accompaniment to great pride of character, Mr. Carey showed that the Walker tariff of 1846 was chiefly responsible for

the hard times of 1854-1860. Personally they presented contrasts. Carey was of stately presence and handsome, classic features, which were often compared to those of Humboldt. He had a straight, erect figure, not unlike that of Chase, Conkling or Sumner. In the courtly manner of a gentleman of the old school, he received his friends with some remark that instantly made them pupils, and thenceforth held them as Plato drew his pupils round him in his grove. Beginning his business career at twelve, he had retired from active business at the early age of thirty-four, upon a competency. This was partly invested in mining lands and city property, which gave him an interest in the general prosperity. He was therefore relieved of the necessity of making either his writings or his labors in any form a source of income.

Greeley, on the contrary, was always in harness, constant in labor, a model slouch in dress, away off from the ordinary or the affable in manners, brusque and yet baby-like in speech, an incongruous blending of the mushyness of a greenhorn with the cunning of over-thought, the simplicity of a child with the depth of a philosopher, who enlisted everybody's curiosity, and satisfied all that he was a partially irresponsible freak who would be of rare penetration and judgment if he only had common sense.

Beyond all men he had the art of being surprising and ungracious, in short, blunt and rude, to those who were employing the usual modes to please him. He would take no "taffy" whatever from men nor much from women.

The editor of the *Wisconsin State Journal* at Madison was a native of Greeley's town in New Hampshire. While the stage-coaches were still the only mode of conveyance to that lovely little capital among the wierdly-named lakes, the Wisconsin editor arranged that the great Horace should come to his house at Madison, and there be introduced to the governor, cabinet, supreme court and legislature of the commonwealth. He came, dusty with hundreds of miles of staging. The great officials were there, ready for

a gauntlet of handshakes, which Greeley was expected to be delighted to run. But he had something else on his mind.

"Sam," said Greeley to his quondam townsman, "tell me, what made my father run away from New Hampshire?" So saying, he took his host in charge, arm in arm, hauled him away from governor, judges and hayseed legislators, to settle, first of all, this interesting point in the life of the elder Greeley.

The committee of editors appointed by the Cincinnati convention to notify Greeley of his nomination for the Presidency, including White, Bowles, Halstead, Schurz and men of that ilk, consisted wholly of men who had gone into the convention intending to nominate Charles Francis Adams on a revenue reform platform, and by the eddies of convention current were caught in a whirl which compelled them to nominate Greeley on a protectionist platform. The disappointment of the free-trade editors had been published to the country—how Schurz found vent for his pent-up agony at the piano of a Cincinnati hotel parlor, in playing some of Wagner's wildest wails on the untuned terror and to the tuneless air. But it did not occur to any member of the committee that Horace would so far forget the dignity of the occasion as to remind them of their disappointment. When they had in due and stately form imparted to Horace the sweet reasonableness of their mission, what was their dismay to hear him break out in his fine, querulous, piping key:

"Why should you younger editors feel jealous of an old man like me, because the people happen to like my writing better than they do yours? Popularity is an accident. The best way to win reputation it is to despise it," etc.

Yet in a very few minutes after this ungracious greeting he outlined to them the practical steps essential to success, in a manner that made them all feel that he had the points of a first-class campaign leader.

Mr. Carey would also surprise his audiences, but in a different way. His originality was so marked that propositions which to many were unintelligible were to him aphorisms which did not admit of question. The common mode of thinking of relative political intelligence is to regard it as rising in regular grades marked by the offices held, from the common voters up through judges, sheriffs and legislators to senators, cabinet officers and presidents, who stand at the apex. Upon this view Carey would inflict a rude shock.

"These senatorial dunces!" he would say, "these congressional blockheads! What do they know? Only how to get votes! What the country most needs is that I should get them in a row, like school children on a bench, and teach them the A B C of their duties."

Sometimes a visitor would suggest that, according to the theory of democratic popular government, the ultimate wisdom lies in the common people as a whole, and if the politicians faithfully represent the people, and the people are wrong, then democracy in its broadest sense must be a failure, which in this country would be an impossible supposition.

"Impossible because true," Carey would reply. "The only wise government is that of an intelligent czar. What did this country ever do wisely until Heaven sent us a czar, and what have we done since but live on his memory?"

Mr. Carey so magnified industrial emancipation over political, and had so little faith in the kind of freedom the blacks at the South were getting, if they got neither land, means of industry, nor the assurance of self-support, that his distrust was denounced in many quarters as amounting to hostility to emancipation itself.

These eddies of hostile sentiment beset the current of every life whose channel flows deeper than the shallows which line its edge.

Mr. Greeley had great respect for these shallows, knowing how much of the navigable current they comprised.

If a man held an opinion of any sort adverse to Greeley's, he was a "man and a brother" with whom H. G. felt it incumbent on him to labor, not a mere heretic to be burned.

"You don't reply to the *Evening Post*, when it attacks your article on the Prussian tariff," he remarked to a writer on his staff. "When they go for me I get back at them always; I expect you to do the same."

"I did not reply," he replied, "because I did not think it good business to repeat to the forty thousand readers of the *Tribune* every mistake and falsehood which the *Evening Post* utters to its ten thousand readers. The mere luxury of proving certain statements to be mistakes of fact or outrages in assertion can be indulged by affirmative articles showing the contrary to be true without alluding to the journal that merely distinguishes itself by errors of statement. Men of our party complain that we advertise into a circulation all the most contemptible journals opposed to you, by quoting what they say in the degree that it is detestable." "Men of our party can say that in their own papers," replied Greeley; "the *Tribune's* policy is to reply whenever any journal attacks its facts, regardless of relative circulation."

Mr. Carey seldom appeared on any platform as a speaker, while Mr. Greeley was really fond of talking to a crowd, and always ready to speak. He would read the legal tender act or five-twenty bond act all through, and people would wait, assuming that he had some good, honest reason for it. But, apart from the rostrum, Carey was by far the more social. His house on Walnut Street was open as a social club to people of interest at all times. On Sunday evening at about four o'clock the calls would grow more numerous. The door would open without ringing and the guests entered without formality. The library occupied the ample first floor, with book shelves around the lower walls, old paintings extending above them to the ceiling, and bronzes and statues here and there promiscuously. It

was a restful nook, shady and quiet usually as a moss-grown forest wherein time made no ravages and youth needed few renewals. The same old bronzes, books, paintings and venerable easy furniture, the same great leather stuffed arm chairs and the same genial host with a few late French journals and magazines at his side. He had a cheery laugh, a fine old Irish gentleman's way, often a good story, and plenty of vigorous animosities. He was given to dispensing excellent wine at the Sunday gatherings in his library to connoisseurs who professed an ability to designate the year of the vintage for every possible sample, and the region of its production. Judge Kelley, the embodiment of Carey's views in Congress, Dr. Wm. Elder, Godey, McMichael, Tom Scott, President Roberts, Geo. W. Boker, poet and diplomat, inventors, steel makers, furnace builders, judges, attorneys and sheriffs, Gen. Patterson, who had built part of a railway from St. Petersburg to Moscow, and who had played backgammon with Carey every Friday night, without missing, for say twenty years or more, were there; sometimes a senator from Boston or an editor from Chicago. These meetings would generally include all the people the great library would hold, and were popularly known in Philadelphia as the "Carey vespers." The talk was of railroads, stocks, rolling mills, prices, harvests, wars, politics, fortunes made or lost, all the complex higher game of life. It was always toned to a certain economic and political drift by the inspiring presence of Carey himself, for this was his weekly means of gossip and intelligence in matters beyond the reach of the newspapers. Through these exceedingly enjoyable gatherings the Doctor kept in touch with all that was doing or worth knowing in Philadelphia, and with much in the State and country.

Though all his theories looked to the evolution of manufactures and banking jointly, as the most efficient servants of civilization, he had little patience with those petty economies and thumbscrew tactics which seem to be the only route over which a man of moderate means can

develop into a great employer of labor or lender of money. Hence, he alternately gloried in manufactures and damned the manufacturers, praised paper money and denounced the banker who is the only economic functionary for its issue. Simon Cameron was the political organizer of the manufacturers of Pennsylvania, and for him Mr. Carey had one of his strongest phrases always ready. He was a "shirt of Nessus." "Go to a manufacturer," he would say, "if you want to buy a congressman, but never if you want to educate a constituency. Thank God! the men who make the tariff are not responsible for the men whom the tariff makes. They are the only instance in Nature where cultivation reaches the worst soil last."

While the motive of commercial profit might lead in most occupations, Mr. Carey held to the aristocratic sentiment that writing books, to be dignified, must be gratuitous and free from the expectation of gain. "Great books," he would say, "original books, books that are not copies of other books, must always be given away. Could Newton get profit out of his *Principia*, which only ten men in a generation comprehend? The writers of great books must give them away as I give mine. When they begin to sell successfully they are no good."

He believed more in men than in books and more in the impulses of mankind than in their theories. If asked which party was nearest right on the money question, it was his pet delight to answer, "The counterfeiters, by all means; they are the only people who are trying to make money plenty; all the others are trying to restrict it."

Greeley and Carey were directly at issue upon the question of resumption of specie payments from 1867 to 1879. Mr. Carey regarded the premium on gold as having been directly beneficial to the industries of our country, both by stimulating exports and by adding to the protective effect of the tariff. He hoped, therefore, never to see the country resume specie payments. Had he lived, he would have advocated not merely the free coinage of silver, but

that the business of the country should prefer the silver basis to the gold. Mr. Greeley believed in immediate, instantaneous, impulsive resumption, by simply writing over the doors of the Treasury, "The United States have resumed." Both were equally impatient of the class of men who consulted expediency. "Means!" exclaimed Greeley, "the government no more needs means in the Treasury to resume than a sinner needs means to repent. If you want a sinner to repent, you tell him, 'Repent, you sinner, to-night, or you'll be a lost soul before morning.' It's that way with resumption."

On one occasion Carey said to Secretary McCulloch, "I hope never to see the premium on gold below 200. And with what answer," continued Carey, "do you suppose the Secretary astounded me? He said he would favor the continuance of a moderate premium, but he would rather it would not go over 75. Then," said Carey, "I knew that the poor man did not know what I was talking about. As if I cared whether the premium was 200 or 75. Money, to be good, must be like a good wife. First, there must be enough of her, and secondly, she must stay. Money that won't stay is always bad. And who ever knew gold to stay?"

On another occasion, in the fifties, Carey was explaining to John Bright that unless the United States made its own iron and steel it could not build up those numerous centers of domestic commerce which it needed to insure the maximum of American civilization. "Do I understand you to complain," asked Bright, "that we don't sell you our iron and steel cheap enough?" "If," said Carey, "I had suddenly discovered that I had been talking to a pillar of stone, instead of a British statesman, I could not have been more thunderstruck. What could be said to a man who confounded civilization with the price of iron, and thought the power to consume and produce it of no value?"

What Carey wanted chiefly to see in this country was a railroad system in which fully half the roads should run

north and south. "What were the world but slaves," he would ask, "when all roads led to Rome? And what but beasts when one pope did all their thinking. And what can we do but cut each other's throats so long as every American railroad ends in Liverpool? As well have one pope to think for us as one Manchester to weave for us?"

No point in his career pleased him so much as his success in impressing upon President Lincoln his conviction that north and south railroads, the symbols of a north and south commerce, must be the future antidote to disunion. Material commerce must precede national unity. In conducting army operations, Mr. Lincoln assured Carey he took pains to preserve these north and south railway lines. Had he lived, he would have led in measures looking to the evolution of closer commercial relations between the two sections.

The vital point in Carey's system of political economy is that the planet will improve as a home for man with every increase in population, and that this capacity of the earth for limitless improvement is itself eternal. Prior to adopting this proposition he had leaned toward free trade. But the instant he saw that land, like every other productive instrument, would improve with use, and that four men would perpetually tend to produce not four but sixteen times as much as one man, he became a protectionist. Many could not see the logic of this. But to Carey it was too axiomatic to admit of explanation that if each instrument of production tended under a law of perpetually increasing returns toward a geometrical increase in the ratio of result to effort, then the first duty of man was to multiply the centers of production everywhere instead of concentrating them. Everywhere the diversification of men's pursuits increased their commerce. In short, civilization lay in "digging around and dunging" all incipient efforts. This is all there is of tilling the soil, of education, of advertising, of justice, of philanthropy, of business, of

eloquence, of rearing the family, of art, of any utility. The shining of the sun was protection to the work of vegetation. The falling dews, the lightning's bolt, the craggy mountains and the deep and dark blue ocean, all were protection, under the system of unity of law, as naturally as was the organization of a bank. There was a perfect harmony between economic law and men's best interests well understood. Wealth-getting was an evangel of better living, and *vice versa*, the man who lived best would get most wealth. Meanness and crime were results of economic failure. On this point again Mr. Greeley and Mr. Carey were agreed. Neither believed in the administration of justice as anything but a form of social war by the successful upon the failing industrial class. They were not anarchists, but they did not look to any other laws than economic laws to make men better. "What would you do with the criminal?" one would ask. "Give him 160 acres of land and a mule," Greeley would answer, "and let him begin life with a better start." Both these men were intense egotists. They believed in themselves as saviors of society. Carey would frequently say, "Salvation, it is in me, and in my books." He saw no more "gall" in this than for A. T. Stewart to say that dry goods were in his store.

In their deaths both these thoughtful but fiery spirits descended from the mountain of conscious transfiguration into the valley of sadness and gloom. Mr. Greeley deeply and intensely believed that the people of the United States, in rejecting him as a candidate for the Presidency, rejected national salvation. He longed for a restoration of the Union on an emotional basis, because he believed in human feeling, as Carey believed in commerce. But a basis of gush, of tears and of embracing across the bloody chasm is in politics a difficult act for fifty millions of people to do in dead earnest. Some tried it. But others laughed and mocked, and the effort broke down. There was deep, unselfish, egotistic love in Greeley's despairing words, "The country's gone, the

Tribune's gone, and I am gone." Then the veil came thick upon his thinking powers; to ease his pain, Nature bore him gently across the line which separates genius from insanity—the admired of men from the wards of God.

So our last remembrances of Carey were of a man who could not be brought to perceive his own triumph. He had been a most potent factor in insuring to his beloved country a generation of unbroken prosperity. But many of his ideas remained unadopted. Much that he hoped to bring about was marred in performance. Political tricksters who seemed to him as "shirts of Nessus" bound the good cause in thorns. The most common feeling of his declining years was, "Oh that I could lie down and sleep knowing that I would never awake." He had passed eighty when he wrote "*The Unity of Law.*" "Defying," as he would remark, "all the laws of health," he "still enjoyed her constant presence." Taking no exercise, he yet had good digestion. Often he expressed himself as many aged Christians do, as waiting too long for the end. Then when his mind was yet strong, and his step but slightly infirm, the sombre affliction which came to Milton drew also its curtain between Nature and the philosopher. Milton thought to reconcile the ways of God to man in harmonious verse. Carey thought to reconcile man's own ways to himself by explaining the harmony of the interests and attractions which govern the societary movement. He hitched his wagon to this star. Hence those who would trace its movement must be surveyors of the open spaces toward which the world wends.

Probable Effects of Free Wool.

The *New York Times* regards "free wool" as among the good things in the tariff bill just passed. It says that the value of the wool imported in (the fiscal year, ending June 30th) 1893 was \$18,500,000, and the duties paid were

\$8,200,000. Now, let us see whether any vital good will flow from free wool.

First. The government will certainly lose \$8,200,000 of revenue through free wool.

Second. There will certainly be a diminution of many millions in the number of American sheep. No man can predict exactly by how many millions, but the reduction will be large. In 1883 the duties were reduced from about twelve and a half cents to ten cents, and our flocks fell by about 6,000,000 sheep in three years. It can hardly be expected that a total repeal of the duties can occur without reducing our flocks much more largely. But, though wool is a bye-product, the slaughter of sheep will be governed in part by prices of wool and in part by demand for mutton. The low price inflicted on American wool under the influence of prospective repeal has been such that during much of the past year the American price of fine clothing wools has hardly risen above the London price. A change of half a cent per pound would have caused us to export, and a few hundred thousand pounds of American wool have been actually exported to Canada. Meanwhile, during this low price, our customs returns show that our importation of all wools has fallen in value by more than two-thirds, having averaged \$18,444,452 worth per year during the preceding five years, and having dropped to \$6,107,438 in the fiscal year ending June 30th, 1894.

It would seem that the threat of repeal has shrunk our purchases of foreign wool by \$12,609,165 worth during the past year, by making our price too low to admit of more being imported under the duty. Meanwhile, every issue of the *London Economist* and *London Times* reports the English wool market as waiting for the American tariff decision in favor of free wool *to raise their price*. The *Economist* of July 28th says:

“Nothing is being done, and apparently nothing will be done until the bill is either passed or rejected. Either eventuality will be welcomed as a release from a state of

suspense which is fast coming intolerable. Wool is exceedingly well held, but, were it not for the confidence that a settlement of the tariff is imminent, and that whatever settlement is arrived at must be for the better, prices would unquestionably show more weakness."

Again, on August 4th, the *Economist* through its Bradford correspondent says:

"The nearer we approach to the moment when the American tariff question must be disposed of, the more intense and general is the suspense in trade circles. It is most marked in the market for wool and yarns. Nobody will move either in the direction of buying or selling, save under the compulsion of necessity, and yet, although the business turnover is consequently extremely restricted, the universal feeling is one of great hopefulness."

There seems to be not a foreign wool dealer in the world who believes that the American duty did not depress the foreign price, or that its removal will not raise the price of wool in their markets. In short, while our President demanded free wool on the assumption that by whatever sum the duty was reduced the American price of wool would fall, no sooner does his bill promise to pass than the sales of wool throughout the world are paralyzed, because every foreign dealer in wool holds it, waiting to get the rise in price which it will meet with through the removal of the American duty. This shows that the expected drop in the price of American wools at a period when they are so low here that brokers claim that on a fall of a cent they could export, may be purely fictitious, and that much of the \$8,500,000 per annum which even in 1894 the Treasury got in revenue on wool, will in 1895 go to British and Australian wool dealers.

It will be remembered that when the duties were taken off from coffee, nearly the whole American coffee exchange in New York and Baltimore were bankrupted, because coffee did not fall in the United States, as was expected, but rose in Brazil. Yet, if there was any case in which a removal

of duties might be expected to lower the price, it would be at first blush in that of coffee. We produced no coffee, and the duty was therefore a purely revenue duty. But it happened that the United States constituted almost the whole market for Brazilian coffee, and that the supply was capable of being controlled and forestalled. Hence the price did not fall but rather went up.

The United States consume by far more wool than any other country. They form a very controlling element in the demand for wool. Wool, moreover, is a kind of product which will "bear" a certain price the world over, and owing to the fact that, like lard, honey, small fruits or chickens, everywhere, except in Australia, it is a by-product of most farms and not a crop-product, it is liable to continue in production more evenly than products on which a farmer mainly relies for subsistence.

It is clear that there can be no fall in wool corresponding to the amount of duties removed, for the very simple reason that the duties have not had the power for many years to keep the American price above the foreign by any such proportion. The operators who are looking for any such fall now will be disappointed. Nevertheless, it will be reasonable to look for a very considerable substitution of foreign for domestic wools in American cloths, and to that extent the difficulties of making an American farm earn a living for its owner will be increased.

"Neglected Elements" in the Silver Discussion.

The two sides of the question of the future of silver are presented with unusual ability in the August magazines, the pro-silver article being entitled, "The Gold Standard; an Historical Study," by Brooks Adams, in the *Fortnightly Review*; and the anti-silver essay being, "The Bimetallic Theory, in the Light of Recent History and Discussion," by Prof. Henry W. Farnham of Yale, in the *Yale Review*.

Mr. Farnham's point is, that the course of prices of

silver, particularly during the operation of the purchases under the Sherman law, shows that those prices are not greatly affected by the demand, and particularly by the demand of governments for coinage, but that whoever would seek to restore silver to parity with gold must have control of the supply, *i. e.*, must be able to shut off production. Until this occurs, and so long as the production of silver is left to the enterprise of miners, silver is likely to be produced with such increasing abundance and cheapness as to insure its further decline in value. Any prediction that silver will return to its former parity with gold must depend, therefore, on a cessation in the cheapness of its production, and on its cost of production rising until it again costs as much to produce fifteen ounces of silver as one of gold. Alluding to the attempted increase in the demand for silver made by our purchases under the Sherman act, Mr. Farnham asks, "If an increase of 100 per cent in the demand lowered the price 10*d* an ounce in three years, how low would it fall under an increase of 300 or 400 per cent?" The answer of the bimetallists would be that the purchases under the Sherman act were not made for coinage, but for storage; and that the Sherman law was not a bimetallic law framed to promote free silver coinage, but a monometallic stop-gap framed to stem the current of bimetallism and secure relative inaction until something more in the interests of monometallism could be devised. Anticipating this answer, Mr. Farnham declares that under free coinage the depreciation in silver, which now only extends to the bullion, would affect all silver coin as well. This proposition in turn most free silverites would deny. At this point the discussion ends in conflicting prophecies as to the effects which would have resulted if free silver laws had been enacted.

Mr. Brooks Adams argues that the cost of bullion silver, after that metal has been discarded as a money medium, ceases to be a public question, and that the real question in which the commercial world is interested is the

degree in which the value of gold is being enhanced by the holders of debt. He seems to regard the aggregate volume of exchangeable credits, including both specie, paper money, and whatever figures as means of purchase, as serving also in establishing prices. A declining scale of prices extending over long periods sends the world back toward barbarism, while an advancing condition of prices is a chief factor in promoting civilization. It is the advent of cheap gold and silver at all times, according to Mr. Adams, that has "boomed" the world forward to a higher plane of prosperity than before. This view of the case has never been more elaborately argued by Alison or Carey, Jones or Stewart, than it is by Mr. Adams. It is singular, however, that Mr. Adams should commit so great a breach of logic as to confound the acts of various governments refusing further *free* coinage to silver, with a diminished circulation of silver coin, or even with a lessened coinage of silver itself. Obviously, if standard silver coins are issued in quantities equal to or exceeding the quantities coined in former periods, and especially if these all circulate either in person or through silver certificates issued in their stead, notwithstanding the prohibition of free coinage, then no fact has occurred which, with the views entertained by Mr. Brooks Adams as to the cause of falling prices, could have any other effect than to raise prices. The annual reports of our Director of the Mint for 1883 and 1893 show that during the intervening decade there was an inflation in the aggregate volume of gold and silver circulating in the world's thirty-eight principal nations, and only a contraction in the element of paper currency. But especially has silver increased, from 2,711 millions of dollars in 1883 to 4,042 millions of dollars in 1893, a silver inflation of 1,329 millions of dollars. In view of this actual silver inflation, the various demonetizing acts concerning silver can no more be charged with lowering prices of commodities than an act prohibiting the use of liquors could be charged with some general hygienic effect, good

or bad, upon the public health, when it appeared that, notwithstanding this prohibitory act, three times the usual quantity of liquors had been made and drank. So far as prices could have been affected by the actual coinage of silver between 1883 and 1893, they ought to have risen, for in that period an addition of almost exactly fifty per cent was made to the world's volume of silver coinage, and so far as our own country is concerned, this added silver coinage actually circulates through silver certificates.

The remarkable feature in this silver discussion is that men so intelligent as Mr. Brooks Adams and Prof. Farnham should fail to meet and fully apprehend each other's position. Mr. Adams does not meet Mr. Farnham's position, that if the production of silver at the mines continues to proceed at a cost of 30*d* per ounce, and if at that cost the world's demand can be profitably furnished, then no international agreement or treaty demand for coinage can force silver up to its former ratio based on a relative cost of production of 60*d* per ounce. On the other hand, Mr. Farnham does not meet Mr. Adams' point, that the progress of mankind has been largely due to the cheapening of the value of coins, and hence, the more apparent it becomes that silver will never recover its former ratio to gold, the greater must be the profits and prosperity of that country which is first and fastest to get over to the silver basis. To this, however, it may be replied, that the profits of sustaining the bimetallic standard have always accrued to double standard countries in those periods when the double standard country is successfully winning over other countries to its policy, and so is, therefore, receiving back coins of the dearer metal which it had heroically parted with in purchase of the cheaper. But if it be finally discovered that a parting of the ways has come, and that silver will never again be produced from the mines at its old cost, then it would seem hopeless to look for any disposition in other countries to purchase the coined silver of the double standard country with gold.

Contributed.

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The Charities of New York.

JOHN P. RITTER.

Twenty-two million dollars is a close estimate of the amount that will be expended for benevolent and correctional purposes in New York State before the close of the fiscal year ending September 30, 1894, exclusive of the benefactions by church societies and individuals. Of them no estimate is possible. Only State, county, municipal and incorporated institutions for the relief of the dependent and needy are included. Such a sum would at first blush seem more than adequate. On the contrary, judging from the recent past, the fiscal year ending September 30th, 1895, will add from \$1,000,000 to \$1,500,000 to these expenditures. In 1883 the charities included in the above estimate expended \$9,938,000; in 1888 about \$13,315,000, and in 1893 about \$20,408,000. From 1888 to 1893 the average increase each year exceeded \$1,400,000. If this rate shall be maintained, it will require an annual outlay of from \$35,000,000 to \$40,000,000 to support the public and incorporated institutions in New York State ten years hence. These figures render state charity a problem for the sociologist. The State alone would not prove a cheerful giver for so broad an emergency; but in this country many philanthropists are ready to ameliorate human suffering according to their views and means. The benevolence of private citizens is eager to meet the genuine needs of the helpless. A wide difference exists between public and private charities.

Public charity is a tax on the unwilling. It is administered with grudging economy. Figures are carefully compiled, estimates made, and appropriations given with the sole object of making the cost to the community as small as possible. No sentiment or joy of doing good lightens the burden of such alms-giving. It is simply a question of buying the most social security and relief for the least money. The unfortunate burdens on the people are regarded as mere social units which the public supports with other units of taxation. Institutions directly controlled by the state are managed—in New York at least—with fair liberality. In the county and municipal establishments the expenditure is small. The almshouse of Chenango County, N.Y., in the year 1892 supported its inmates at a cost of \$36.95 per capita, or 71 cents a week, for clothing, board and lodging. The paupers of New York City, during the same year, cost the community \$2.82 a week. This fairly reflects the greater economy in money at which a like standard of living can be maintained in the country than in a metropolis. Even in New York City, persons outside the almshouse could be found whose actual cost of maintenance fell below the expenditure of the county on its paupers. Life in almshouses should not be made intolerable by parsimony. Many of those who are obliged to seek their shelter are respectable old people, and have led useful lives. The founder of the first successful pictorial newspaper in America, and who had made several fortunes at times, was in his later years a dependent on the bounty of the city of Boston. All unfortunate persons have a humane claim upon the community for a living. The authorities should give them every comfort compatible with a reasonable economy. The worthless vagrants, who seek in the almshouses a refuge from labor, are a different class.

Private charities are generally liberally administered. In most instances they have been founded by gifts of wealthy persons, and are supported by endowments and

voluntary contributions. Each institution has some specific object—the care of orphans, the relief of the sick, the succor of the infirm, etc.—and everything possible is done for the comfort and happiness of the beneficiaries. The governing boards are composed of philanthropic men or women, who take a personal pride in maintaining a high standard of excellence in the administration of the affairs of their respective institutions, and in making them models of their kind. Indeed, the State, which is bound for political reasons to care for its dependent members, would be utterly powerless to do so were it not for this private aid. A few figures make this fact clear. For the year ending September 30, 1892, the appraised valuation of the plants of charitable institutions in the state of New York amounted to \$75,014,802.96. Of this amount, \$50,155,170 was specified as representing the property of private corporations. Out of the \$20,408,000 expended for charitable, correctional and reformatory purposes during the year ending September 30, 1893, about \$12,938,000 represented the expenditures of private corporations, while the public institutions spent only \$7,470,000.

New York City bears the greater part of this burden. It is the Mecca of the poor and the afflicted, who crowd into its institutions and asylums from all parts of the country and from foreign lands. It has hospitals devoted to general and special purposes; asylums for foundlings and orphans; homes for the fallen, the indigent and the aged; schools for the blind and the deaf and dumb, besides an incalculable number of societies and associations designed for the relief of poverty and suffering. All these have developed from beginnings as small as the germ cell or protoplasm relatively to man the individual.

Think of New York without an almshouse and almost without a beggar. Good Diedrich Knickerbocker assures us that when William Kieft reigned in New Amsterdam his jurisprudence was especially directed against the crying sin of poverty. Vagrants and beggars found as scant

welcome as they find to-day in the thrifty state of Connecticut. The testy Dutch governor contrived a means for their punishment as ingenious as it was effectual. He rigged up a kind of gallows on which the culprit was hoisted by a rope fastened to his waistband, and kept "dangling and sprawling between heaven and earth for an hour or two at a time, to the great delight of the respectable citizens, who flocked to see the novel exhibition." Deserving poor persons—that is, those whose poverty could not be attributed to any shortcomings of their own—were generally relieved by their kind-hearted neighbors.

The records of those times show that in 1699, after the conquest of the New Netherlands by the English, and when Johannes De Peyster was mayor of New York, the poor received partial relief in their homes, or were provided with lodgings in private houses. Very few needed such assistance, although the population of the city amounted to 6,000 souls. There being no public institution for the relief of the indigent, there could be no pauperism; for until the poor are lodged in an almshouse at public expense they are not in evidence as paupers.

But as it has always been regarded as a very salutary thing for those who subsist on the bounty of the public to be made to feel the degradation of their position, the city fathers got together in 1707 and enacted a law for that wise purpose. All persons provided with food and clothing at the city's expense were required to wear a badge upon the sleeve formed of the letters N. Y. in blue or red cloth. This was to indicate, no doubt, that in return for the charity they had been compelled to ask, they surrendered all proprietary interest in themselves to the city. It was probably hoped that very few persons would voluntarily submit to such conditions.

As population increased, however, and the necessity of providing for the indigent in a more effectual manner became apparent, certain wealthy and humane citizens, in

1714, presented a petition to Robert Lurting, Esq., the mayor, and to the corporation, setting forth the utility of erecting a substantial building for the reception of various classes of the poor, and as a house of correction. The proposition was gravely considered at an aldermanic meeting, and aldermen Roome, Bayard, Fell and Burger, with three other citizens, were appointed a committee to select a suitable plot of ground and purchase materials for the structure. They decided that an almshouse and petty prison should be removed as far from the city limits as possible, and consequently chose a spot in the suburbs called the Vineyard—the very place where now stands the old City Hall.

The house erected thereon was sixty-five feet long by twenty-four wide, was two stories high, and had a good roomy cellar that could be turned to use in case of necessity. This was the first charitable institution established in New York, and it was soon filled with paupers. It was such a novelty that on pleasant afternoons scores of people from the city drove and walked out to be shown through its dormitories and cells. John Seabring, the superintendent, extended every courtesy to these visitors. The first physician of the almshouse, Doctor John Van Buren, held his office for thirty years. His salary was one hundred pounds a year, out of which he was expected to find his own medicines. The institution was governed by a board of trustees, who met regularly once a week to audit accounts and to pass upon matters of government.

It was an ample establishment, designed to embrace all branches of public charity and correction. There was a house for paupers, a hospital for the sick, a home for orphans, an asylum for lunatics and a prison for the refractory—all under one roof and in charge of one superintendent. This was as economical an arrangement as could have been devised. The house for the poor was supported out of what was then called the minister's fund, a small tax levied upon the inhabitants, and by voluntary con-

tributions, which at first were very liberal. No regular chaplain was appointed to the institution, the clergymen of the city taking turns each week in attending to the spiritual needs of the inmates. Later on, in 1771, the New York Hospital received its charter, mainly through the instrumentality of Drs. Peter Middleton, John Jones and Samuel Bard. Its subsequent history is intimately associated with the progress of charity in this city.

During the Revolutionary war it became necessary to remove the city's wards, first to Westchester, and afterward to Poughkeepsie, under the charge of Superintendent John Forbes. But while the British remained in possession of New York the poor and the refractory were still received into the almshouse and permitted to draw King's rations. In consequence of the destructive fire which occurred on the 21st of September, 1776, three hundred destitute persons were sheltered there.

On the establishment of peace, the poor at Poughkeepsie returned to the city, under the superintendence of Samuel Dodge, and as there were large numbers besides, reduced to beggary by the war and compelled to seek aid from the public, it was found necessary to erect several additions to the almshouse for their accommodation. But even these soon proved inadequate. New York had entered upon the first stages of its marvelous growth. In 1790 its population was 33,031, and in 1800 it was 60,489. This wonderful increase was partly the result of an influx from the country, and partly of foreign immigration. The number of the poor was added to exceedingly, and it became indispensably necessary to build a more commodious almshouse. Accordingly a brick structure, two hundred and sixty feet long by forty-four wide, was erected on Chambers Street and opened to the public in 1795.

About this time a spirit of philanthropy took possession of the people. The rich vied with each other in administering to the wants of the poor, and various benevolent societies and institutions were established.

The widow with small children was cared for by a society of women; by another, clothing was provided for the naked; a provident society supplied imprisoned debtors and other necessitous persons with refreshments, and at a later period an orphan asylum and a Magdalen house were supported by endowments and voluntary contributions.

Finally, in the year 1811, the new almshouse at Bellevue was projected. On August 11 of that year the corner-stone was laid by Mayor De Witt Clinton; but it was not rendered fit for the reception of inmates until 1816. The building was 320 feet long by fifty wide, and had two wings in dimensions one hundred feet by fifty. It cost \$500,000, an enormous sum in those days. Soon after its occupancy a malignant fever broke out, which made great havoc among the patients and led to the establishment of the Fever Hospital.

In the meantime the population of the city had nearly doubled. In 1810 the number of inhabitants was 96,373, and in 1820, 123,706. In 1817 was founded the New York Institution for the Instruction of Deaf Mutes. As early as 1807 the sympathy of the benevolent John Stanford had been excited by the deplorable condition of these unfortunates in the city almshouse. He formed them into a class, and with the aid of an assistant began teaching them to write. This was probably the first effort to instruct them made in America. About ten years later a number of benevolent gentlemen became interested in their welfare and the necessary steps were taken to incorporate an asylum for their benefit.

The managers of the New York Hospital made early and incessant efforts to mitigate the horrors and alleviate the sufferings of the insane. In 1808 they erected an edifice for the exclusive use of this class on ground adjacent to their hospital building, and Dr. Archibald Bruce was placed in charge. In 1820 their large and commodious asylum at Bloomingdale was opened for the reception of insane patients, and for seventy-three years has

fully answered the expectations of the public. Now they are erecting the most perfect institution of the kind in the world on a beautiful tract of land in Westchester County, near White Plains.

Prior to 1824 no institution in New York was devoted to the reformation of juvenile delinquents. Children confined for small offenses were crowded into the State and city penitentiaries. Their morals were often corrupted permanently by enforced contact with older and more hardened criminals. In that year the State legislature enacted a law providing for the establishment of a House of Refuge in New York City, the first of its kind in the United States. The experiment of juvenile reformation thus attempted was described by Governor Clinton in his annual message of 1826 as "perhaps the best penitentiary institutions which had ever been devised by the wit and established by the beneficence of man." During the year just ended, 809 children were placed under its protection.

Bellevue Hospital was founded in 1826, and the New York Institution for the Blind in 1831. Since then the number of charitable institutions in this city has multiplied beyond enumeration. The Catholic church, which had but one chapel in the city at the close of the last century, now has scores of hospitals, asylums, and homes that represent an invested capital of many millions.

Many would like to see all charities administered by the government; but this would require an increase in taxation that would be regarded as insupportable. It would also do away with the incentive to private benefactions; for most men would consider their duty done when they had paid the tax. It is wiser to leave the problem to be solved by private effort. The state should bear its share of the burden; but private charity may be stimulated by state aid more effectually than at present.

In this city, with the increase in number of the dependent classes, there has been a corresponding increase of private effort for their relief and of contributions for

their support. This increase will continue in the future. A smaller sum in proportion to the number of beneficiaries will suffice under the present methods. Charity is now discriminating and economical, where it was formerly diffuse and prodigal. The immense demands made have taught the benevolent to apply their means conservatively. Charity has become a science, founded upon the recognized social principle of the greatest possible relief to the greatest possible number.

The Hours of Labor in Continental Europe.

. LAWRENCE IRWELL.

During the past few years there has been so much discussion as to the number of hours which constitute a fair day's work, that some detailed information as to the condition of the workers in continental Europe may be of interest.

The only countries which control, or profess to control, the disposal of the time of adult men and women, are Switzerland, France and Austria; but Germany is making progress in the same direction, and within a few years some drastic legislation may be expected.

The Swiss Republic enjoys the distinction of having been the first country to declare in its very constitution (1874) the legislative right of the nation, in its political organization, to limit the working day, even for male adults.

The Federal Factory Law of 1877 limits the maximum hours of labor for adult workers in factories or workshops to eleven per day and ten on Saturdays or public holidays. Provision is made for a reduction by order of the Federal Council of these maximum hours in unhealthy trades, as well as for the interpretation of the law. Cantonal legislatures may institute not more than eight holidays during the year, in addition to Sundays, and on these days all work is prohibited. The hours of work must, in the

months of June, July and August, be between 5 A.M. and 8 P.M.; during the remainder of the year they must be between 6 A.M. and 8 P.M. One hour's interval during the eleven hours of work is obligatory. Exceptional and temporary prolongation of the working time is obtainable in cases of necessity, "but not simply to suit the convenience of the employer." Sunday labor is absolutely prohibited for women; it is permitted for male adults where it is imperatively necessary. Under no circumstances are women allowed to work at night; and on ordinary working days any woman having a household to look after is free to leave the workshop one-half hour before the mid-day interval. Women are prohibited from working for six weeks after childbirth—eight weeks altogether.

The constitutional right of "referendum" was exercised with respect to the law of 1877, and it was upheld by a direct vote of the majority of the electors.

In the course of the year 1890, as a result of the Berlin Labor Conference, a law was passed limiting the hours of labor of railway workers to ten per day.

The Swiss Labor Federation demands an extension of the factory laws, and a legal reduction of the eleven-hour day.

In France the hours of labor are regulated by a number of decrees, the first of which, passed in March, 1848, enacted that the working-time in factories and mills should not exceed ten hours in Paris and eleven elsewhere. This decree was modified by the law of September, 1848, which established twelve hours of "effective labor" as the maximum working day. No inspectors were appointed and no attempt was made to strictly enforce the law. A decree issued in 1851 exempted certain occupations from the law of 1848; it declared that the limit of twelve hours for men and women employed in factories should not apply to stokers, firemen, watchmen in factories, persons employed in the manufacture of glue, or the sponging of woollens (*décatissage*); in soap-boiling, tinning, galvanizing metals,

casting, or making projectiles of war; or in printing or lithographing. Exceptions were extended to the cleaning of machinery after working hours, and to any action necessary in case of accidents.

In respect to certain occupations, an additional hour was conceded to persons employed to wash and stretch stuffs in dyeing and bleaching works, and in the manufacture of calico (*indienne*). Two additional hours were granted to cigar factories, refineries and chemical works, and a like increase was permitted to proprietors of dyeing, sizing, pressing and printing works, upon the understanding that such additional time should only be allowed upon 120 days in a year, and that the consent of the mayor, or departmental prefect, had been obtained. In 1855 it was officially laid down that the twelve-hour limit was confined to such factories as were operated by machinery by day, or by machinery in motion all day and all night, without the extinction of fires; also, that no workshops employing less than twenty-one persons in one room came under the law of 1848.

A decree of 1866 gave an additional hour to workers in silk factories, but only during sixty days within the months of May, June, July and August.

In May, 1874, fifteen factory inspectors were appointed to control the operation of the law of 1848 and its amendments.

In 1883 more stringent laws were passed for the protection of women and children. During 1885, however, a retrograde step was taken by the publication of an administrative circular, which expressly stated that all workshops where machinery was not in use were excluded from the operation of the law of 1848.

A decree was enacted in April, 1889, exempting from the observance of the original law all laborers employed upon any works in the interest of the government.

The exceptions to the French factory laws are so numerous that, out of the six or seven million persons

earning daily or weekly wages, not over one million are subject to the provisions of the law.

In the Department of the Seine, in which Paris is situated, there was in 1887 a working population of 83,000 adult men, more than 28,000 women, and 37,500 children of both sexes. Not more than 3,500 of these workers were subject to the legal limitation of the hours of labor established by the decree of 1848.

The British consul reports that Frenchmen are present in the factories fourteen hours out of the twenty-four; the outside workers—such as laborers, masons, carpenters—working for as many hours as they choose.

Since 1880, the "legal eight-hour day" has formed a "plank" in the platform of every labor party in Paris, and most of the other large cities.

During the session of 1890 a committee of the Chamber of Deputies was appointed to inquire into the condition of the laboring classes. This commission, in order to ascertain whether the working classes were in favor of the legislative limitation of the hours of labor, issued a voting paper to a large number of Parisian workmen. The result was as follows:

	NUMBER OF VOTES.
For a law limiting the working day to eight hours,	
without overtime, - - - - -	5,419
In favor of an eight-hour day with overtime, -	1,513
For a nine-hour day, - - - - -	1,247
For a ten-hour day, - - - - -	7,010
For an eleven-hour day, - - - - -	166
For a twelve-hour day, - - - - -	263
Total in favor of legal restriction, - - - - -	15,618
Total against legal restriction, - - - - -	6,776
Number of spoiled papers, - - - - -	868

Of the total ballot cast (23,262), some 9,000 voters were employed in the trades connected with building and the metals.

The figures speak for themselves; more than sixty-five

per cent of the voters asked for legislative regulation, and one-third of those who favored legal restriction desired an eight-hour day, without overtime.

The Austrian law of 1889 limits the hours of labor of persons employed in factories to eleven, exclusive of an hour and a half for refreshment and recuperation; in mines the working day is ten hours, but the rules are liable to modification by the Minister of the Interior.

A permanent extension of time has been given to spinning mills and silk factories, by which the hours of labor have been increased to twelve and thirteen respectively. In special cases the industrial officer of the district may grant a permit for a temporary increase in working hours for a period not exceeding three weeks.

In Germany the only law relating to adult males, other than workers in mines, is one forbidding employers to compel men to work on Sundays or feast-days, unless the special nature of the industry precludes interruption.

Through the intervention of the Emperor, a regulation was effected in 1888, limiting the shifts in mines where high temperature prevails, to eight hours; elsewhere ten-hour shifts are still worked.

Many of the workers in the Prussian government industrial establishments have received the boon of an eight-hour day.

The various states forming the empire of Germany have no power to legislate upon labor questions of this character, and such legislation as does exist is due to the Imperial Parliament.

The employment of women in certain kinds of labor, considered injurious to health, is forbidden, and they are prohibited from working for six weeks after childbirth.

By a law passed in 1877 and amended in 1887, persons under sixteen years of age are not allowed to work more than ten hours out of the twenty-four. This regulation, however, is very poorly enforced, and factories employing young people often run eighty-four hours per week.

Artisans usually work eleven or twelve hours per day; the majority of them are, without doubt, in favor of shorter hours.

Belgium has hitherto been one of the countries where "freedom" of contract has been unrestrained, and where factory regulation was, prior to 1884, absent, even as to the employment of children. A royal decree in that year prohibited child labor in mines. Three years since, women were working underground as long as fourteen hours a day at truck-loading and other heavy work. It is possible, however, that the new code of regulations, enacted in 1890, having reference to women and children, may have removed this blot upon civilization. I have been unable to ascertain the details of its provisions up to this date.

In Belgium the men work on an average about eleven hours; but brewers' employees work from twelve to seventeen. Railway officials and street-car drivers work from seventeen to nineteen, in some cases with an intermission of one and a half hours, but in others without any opportunity for rest. Brickmakers and cabinet-makers are employed for at least sixteen hours per day.

In countries where what is called "freedom of contract" prevails, information of a reliable character is difficult to obtain. The following facts have been chiefly taken from the reports of the British consuls. The writer has had no opportunity for personal investigation in the countries mentioned.

In Saxony the normal working day is seventeen hours, with two hours allowance at meal time. In Baden the medium duration of labor is from ten to twelve hours; yet in many instances it reaches as high as fifteen hours, this being the usual time in cotton mills and china works. Seventeen hours is not uncommon in saw-mills. In a number of factories in Baden, Sunday labor is, unfortunately, the rule. The sugar refiners keep their men at work for twenty-four hours, after which they have twenty-four free.

The hours of labor in Russia vary between six and twenty, the divergencies in the same branches of industry, in the same district, and among establishments whose produce sells at the same market price, being so marked that no accurate figures can be given.

In Montenegro the day laborer works from about five in the morning until eight; he takes half an hour for breakfast, and then works until noon. From noon until two o'clock he rests and then works until sunset. These hours are slightly varied in winter, when he commences later in the morning. The rules as to skilled labor are very similar.

During the year 1873 Spain enacted legislation as to the employment of women and children. Since 1885, Sweden, Denmark, the Netherlands, Italy and Russia have either adopted, or made more stringent, laws of a similar character. But in many instances no serious attempt is made to enforce the statutes.

In Portugal, from sunrise to sunset is the length of the ordinary working day, with two or three hours rest at mid-day. This appears to be the usual plan in Greece, Turkey, Servia, Roumania and Bulgaria.

There seem to be no general rules in Denmark, Sweden or Norway. Consequently it is impossible to give any idea of the average hours of work; the convenience of the individual employer fixes the hours of the employed.

Since the Berlin Labor Conference of 1890, there has been a great amount of agitation for shorter hours, both in France and Germany; but as far as I have been able to ascertain, no important legislation has been enacted as a result of it. Almost all the labor organizations in the great majority of European countries have adopted an eight-hour law as a part of their programme, and such a measure is advocated in the legislatures of all the most civilized nations by the representatives of the wage-earning classes.

Current Economic Review.

THE NEW YORK *Herald* of Wednesday, August 15, published a "fake" statement of comparative rates of duty under the McKinley law and under the new Gorman law, which served to vex and annoy a good many thousand persons who bought it supposing it might contain useful information as to the actual relative rates. On examination it proves to contain the ingenious guesses of its compilers as to the ad valorem rates which would be the equivalent of the actual specific rates. Nobody knows what ad valorem rates would be the equivalent of the specific Gorman rates.

WHEN THE WALKER reduction was enacted in 1846 there was the same feeling in the South that now prevails, that it might possibly bring on hard times in the North because the North needed money to pay wages to labor. But it was supposed by those who passed it that it could not fail to benefit the South, since the South could run its labor system without wages. But in 1855 the destruction of values throughout the South was so sudden and startling that the governors of South Carolina and Mississippi issued proclamations declaring that their people were starving by hundreds, and that they were powerless to help each other, and must be aided from abroad or perish. And yet the tariff had been scaled downward on purpose to gratify those politicians from the Southern cross-roads, who were the identical class consulted in the Gorman bill. It would be strictly logical and natural if before the coming Christmas similar proclamations should issue from these same Southern governors calling upon the hated manufacturers and bloated millionaires of the North to feed their people.

THERE IS ENOUGH in the Gorman law to substitute importations of competing goods in lieu of their domestic production in a large range of commodities. Free salt will lessen the activity of our salt works, and foreign salt will take the place of domestic throughout the South and

in all our ports. The slight difference of five per cent between the duty on clothing made up and on the cloths used in making it will cause many tons of clothing to be imported ready made. The removal of the duties from agricultural implements will tend to induce many American factories of this kind to remove to Canada. This tendency will be heightened by the removal of the lumber duties. The repeal of duties on agricultural products will impart a lively stimulus to all Canadian industries. The large importations of competing goods of many kinds will create a temporary demand for banking facilities by increasing the applications for discounts on the larger volume of commercial paper which will be given for them, unless this process shall be arrested by too rapid a disclosure of injurious consequences to the manufacturers whose business will be "held up" by these importations. Altogether, it will not be prudent for any who desire to preserve an ordinary reputation for sagacity to predict that the new tariff law contains any elements calculated to restore prosperity. It will at least increase the drain of gold, depress still further the wages of labor and discourage immigration.

THE TIN PLATE Consumers' Association is a New York agency of the Welsh tin plate manufacturers. Its mission is to discourage the transfer of the tin plate industry from Wales, where nearly all the tin plate is made, to the United States, where nearly all the tin plate made in Wales is used. The "association" recently issued a prospectus showing that when the McKinley tariff raised the duty from three-tenths of a cent per pound to two and one-fifth cents per pound, the revenue on the tin plates consumed in this country increased from \$6,746,644.58 annually, under the lower duty, to \$32,879,432.43 for three years, under the higher, being an average of \$10,956,477.47 per year. The reformers style the duty of three-tenths of one cent per pound a duty "for revenue only," because it failed to pro-

tect. But they deny that the duty of two and one-fifth cents per pound, though it produces nearly \$4,000,000 a year more revenue than the other, is a revenue duty, because in addition to its revenue function it also starts American manufacture of tin plates. The duty that produces most revenue is not the best revenue duty if any American begins to manufacture under it. The circular also shows that in 1890, under the low duty, the consumers of tin plates in the United States used 674,664,458 pounds, which cost them, duty included, \$27,493,072.31, being \$0.0407 per pound. Under the higher duty, in three years the consumers used 2,187,888,197 pounds of tin plate, which cost them, including the duty, \$98,280,530.25, being \$0.0448 per pound. The consumer was paying only four one-hundredths of a cent a pound more for his tin plates, while the government was getting two and one-fifth cents revenue on every pound. Consumers paid \$8,751.55 "tax" on their tin plate for three years and the Treasury got \$32,879,432 of revenue. By repealing the duty the Welsh price of tin plates will go up. The Treasury will lose eleven millions a year of revenue, and the consumers will presumptively save \$8,751.55 tax, while American industries will lose in various ways \$20,000,000 annually in wages.

THE ULTIMATE CAUSE of the passage of the new tariff bill, overthrowing in intent the protective policy in the United States, is the weakness of the freed black race as a political factor in the present government of the Union. This political weakness of the black race, notwithstanding their endowment with the constitutional right to vote, resulted in the consolidation of the whites of the Southern States into a sort of "mobocratic" Prussia, too united and powerful to be otherwise than the key to power, of parties, and to the selection of a President. This became clear from the moment President Hayes abandoned the policy of giving federal protection to the political rights of the freed race in the South. With that event, mob or shot-gun rule

at the polls, and average public perjury on the part of election officers in miscounting and excluding votes, virtually repealed the Thirteenth, Fourteenth and Fifteenth amendments to the Constitution so far as the South was concerned. When the South had thus become solidified, its large electoral vote naturally became the first factor in controlling Democratic politics in the nation at large. Mr. Cleveland, seeing this fact, astutely inferred that his path to power lay in binding this solid South to himself by that policy of freer importation to foreign competing manufactures which tends to sever the commercial relations of the South with the North. This astute but coarse sagacity caused his conversion, toward the close of his first term, from a moderate protectionist into a violent free trade propagandist. He saw that the solid South formed the pretorian guard which he must command if he wanted to be Cæsar. This tied to him the solid South, as he had expected. The less-informed vote of the North co-operated, with the many vagaries comprehended under the Populist, Social-Labor and Farmers' Alliance clans, to create a deflection in both parties amounting to a million votes. This deflection lost to the Republican party six Western States, and gave the Democratic party that large majority in Congress which has done the deed.

DURING the first half of the year 1894, the twenty-two leading railways of the country have made a further aggregate decline in their gross earnings for the half year of \$51,146,541. In the single month of May, 1894, the gross earnings of 140 roads fell, in comparison with the May of the preceding year, from \$288,500,000 to \$240,900,000, or by \$47,600,000 gross. Their net earnings in the same period fell from \$79,500,000 in May, 1893, to \$63,237,000 in May, 1894. On August 7, 1893, Congress was called together, in great panic, on the ground that the decline of the reserve of gold in the Federal Treasury had gone below the "danger line" of \$100,000,000, and unless

the purchase of silver were discontinued, the public would soon refuse to take the government's "greenbacks" at par. Congress repealed the silver purchase clause of the Sherman law, but this did not stop the depletion of the gold reserve. This finally became so low that the Secretary of the Treasury was compelled to borrow \$50,000,000 in gold, which was forthwith stuffed into the Treasury barely in time to bring the stock, for a few days, slightly above \$100,000,000. Then it ebbed again, and now the gold reserve is down to \$52,000,000, the net excess of exports over imports of gold since January first having been \$72,972,958. Other conditions are worse than a year ago. Fewer men are employed; wages are lower. Bankruptcies in 1894 have decreased from 1893, but vagabondage, disorder and crime have increased so greatly over 1893 as to attract the attention of our most conservative judges. Yet, the tariff law has still to develop its consequences and the deeper disorder is to come.

THE TEXTILE AND pottery industries are the first to shut down under the Gorman tariff. Before it is yet signed, twenty-two out of twenty-seven mills at New Bedford have closed, and the remaining five are expected to follow suit within a few days; six of the great Fall River mills have closed since the President reached Buzzard's Bay. The exterior form of the tariff effect is the cut in wages made necessary by the cut in duties under the Gorman bill. The withdrawal of the men from work follows on the crude theory that these reductions are acts of individual oppression. Eleven thousand new idlers are created at New Bedford and a larger number at Fall River. The mills at Lowell are awaiting the result of the strikes at New Bedford and Fall River before making a like cut in wages. Similar strikes and lockouts are closing the pottery industries in part at Baltimore, Trenton and elsewhere. Presumptively these are not instances of individual blame or responsibility. They are like the closing of banks in

1893. Even the advocates of "tariff reform" concede that the hypothetical blessings of that egregious fraud must be purchased by great antecedent disasters. Generally these disasters are so costly that the people get disgusted and go back to protection without waiting for the coveted advantages which are expected to flow from free importations. The country is now losing one million dollars a day in wages in the interests of tariff reform, and the rate of loss is on the increase. Meanwhile, German and English exponents of the textile industries universally see in the Gorman tariff an invitation to the foreign manufacturers to supersede the American in all our markets. It becomes a serious question whether American political institutions can very long stand the strain of being obliged to continue for several years under the domination of a party whose influence upon the public welfare has been discovered to be disastrous. More than a year has elapsed since public opinion, if a free and full vote had been constitutionally possible, would have recorded its lack of confidence in the revenue reform craze. But a penitent people finds itself powerless to make its penitence effective. The car of the free trade juggernaut must move on, whoever is crushed under its wheels.

THE INVESTIGATION by the Regents of the University of Wisconsin into the availability for educational purposes, in connection with that institution, of Prof. Richard T. Ely's socialistic views, calls attention to a problem in educational experience in which the University of Wisconsin does not stand alone. Prof. Ely is said to deny so much of the charge as relates to his acting as the entertainer or adviser of an organizer of strikes, but such denial, if made, would be incongruous with his known views, and would relate to a secondary and immaterial feature of the charge. Every political economist should be free to give such advice as he thinks proper, to any person engaged in conducting a strike, and the question of dining and wining the strike

organizer at his house is strictly a private and social question with which neither the public nor the cause of education has any concern. The real question in Prof. Ely's case is whether his teachings are calculated to promote social sanity and good judgment or the reverse. Lieut. Totten's services as a teacher were recently dispensed with at Yale University because he adopted a theory that he could foretell the end of the world by mathematical calculations based on apocalyptic texts, and that the event was about to occur. Such theories are quietly suppressed by the best educators as unfavorable to social sanity. Prof. Ely has struck a mushy and immature vein on questions growing out of inequality in the distribution of wealth; but so many others have done the same, that a board of regents which should endeavor to rule out such teachings would find itself engaged almost in expounding a new system. Probably the majority of mankind incline to the opinion that equality in the distribution of wealth is the ideal toward which society should tend, and for which legislators should labor. A few economists have struck the key that the greatest equality and abundance in the distribution of enjoyable or consumable wealth is promoted rather than hindered by inequality in the ownership of productive wealth. It can not be claimed, however, that this doctrine has even penetrated the understanding of many of our teachers of political economy. Until it shall do so, they will be very likely to range themselves more or less openly with the socialists. The faculty of any college becomes a misleading and mischievous element in any community if it contains no man competent to teach its students that equality in the distribution of productive wealth is a fool's paradise, which can exist only among the very lowest order of savages. Instead of being the goal toward which civilization is tending, it is the pit of barbarism from which it has been dug, as it has dug its way out of the stone epoch. If there is anything in Prof. Ely's writings which emphasises the advantages in rates of wages,

and the greater stability of industries, that results from the concentration in the control of capital which is part of the existing industrial order, it has escaped our observation. We do not think he will claim to have taught this phase of economic doctrine. And until he is disposed to do so, we can readily conceive that his influence might become one-sided, and, in fact, puerile.

THE ADDITION TO the world's annual production and store of gold through the development of mining in South Africa gives comfort to bimetallists who think that a large production of gold means cheaper gold, and cheaper gold means dearer silver.

Price in such instances does not depend on quantity produced, but upon cost, and the price of silver does not depend upon the cost of gold. A British merchant, Mr. William Walker, of London, waxes eloquent, and writes that "Africa, golden Africa, is marching steadily onward to the rescue of the Indian rupee, and every hundred thousand ounces of pure new gold sent out from Johannesburg is just one nail less in the coffin of poor old silver."

Mr. Moreton Frewen writes that "The Randt gold camp at Johannesburg, which dates back only to 1887, and produced but a monthly average of 16,000 ounces in 1888, produces since April, 1893,

Monthly.		Monthly.	
May,	116,911 ounces.	July,	126,169 ounces.
June,	122,907 "	Aug.,	136,069 "

"The production of August, if sustained, puts this single camp in advance of the gold production of the entire United States."

If the production of gold increases faster, relatively speaking, than other kinds of wealth and than population, giving us a larger relative quantity to transact the business of the world, it impresses us that we will have less need than ever of silver as money.

The Editor's Drawer.

This department is devoted to answering questions of fact or theory. Although we do not regard ourselves equipped to answer all questions that may be asked, we shall willingly give whatever information we possess, provided the inquiries are made in good faith; to guarantee this, we ask that all communications be accompanied by the full name and address of the writer. Correspondents complying with this condition may be assured that their communications will receive attention, and if they are not answered in the next issue, they may assume that it is either through want of space, or that time is needed to get accurate information. Anonymous communications will receive only waste-basket attention.

To a Socialist in Queensland.

Mr. Henry W. Parkinson, associate manager of the Institute of Civil Engineers at Brisbane, Queensland, Australia, writes the following inquiries, viz.: First, has existing economic law for the distribution of wages, savings, profit, rent, and interest, any equitable principle behind it which will prevent it from being superseded in the course of industrial evolution? Secondly, in your work upon the principles of social economics, do you anywhere indicate the course of further evolution in such laws of distribution? Do you not rather justify the permanence of things as they are?

24. Ans. The function of "indicating the course of further evolution" has been ably undertaken by Plato in his ideal "Republic," by John the Divine in the book of Revelations, by Sir Thomas More in his "Utopia," by Fourier in his "Theory of the Four Movements," by Mr. William Miller, by Mr. Bellamy, and by a few less pretentious professional fortune-tellers, who have their clientele of respectful listeners. If our correspondent wishes to know whether men, having nothing to eat, nothing to wear and nothing to do, will ever go to work without being paid wages, or whether a time will come when all will have so much that wages will no longer buy their labor, we can only say that we have no definite means of knowing that

such a state of things will ever supersede the existing order. We know of no coming order of things when houses and lands can be obtained without rent, when men will invest capital in paying wages except under the impulse of a hope of profit, or when the active use of productive capital will be loaned without interest. In this sense we humbly plead ignorance of the true nature of any millenium which is to come after things as they are.

Our correspondent thinks that profits, rent and interest are all unearned increment and ought to be appropriated by the community at large, *i. e.*, by the entire 1,400,000,000 persons now inhabiting the planet. For the people of any one state or community to appropriate them would be spoliation, of the same quality as for one individual to do so.

One difficulty in the way of such an appropriation is that there is no organization in existence competent to represent so numerous a creditor, nor to sign a receipt for either the profits, the rent or the interest as for all mankind. Another would be that it would be difficult to effect a distribution among 1,400,000,000 people of the rent, the profits and the interests of each transaction.

These difficulties may not appear so large to Mr. Parkinson as they do to us. But if he will recall the circumstance that the Anti-Corn Laws League declined to distribute among the very few donors of the fund the comparatively small sum of £420,000 raised to repeal the corn laws in 1846, on the ground that it was physically impossible, and that the virtuous and public-spirited citizens of Chicago declined for the same reason to distribute to the donors any part of the \$7,000,000 subscribed to aid sufferers by the great conflagration in that city in 1870, it ought not to be difficult for him to admit that it would be difficult to return to each one of the 1,400,000,000 inhabitants of the globe the exact proportion in which he may have contributed to the profits on the sale of an orange which is bought for three cents, and sold for four. If it could not be done in

one instance it is more difficult to see how it can be done in all!

In conclusion Mr. Parkinson asks us, "What determines the necessary social labor? I mean the number of laborers required."

We answer, in the first instance the wages offered and accepted determine the number of laborers required, in the same sense as the number, size and location of the nets set, and baited hooks dangled at the proper depth, determines the number of fish which will be caught.

Mr. Parkinson further asks, "If land and machinery are private property, and self-acting automatic machinery is still further introduced, and that to an enormous extent, what is to become of the man who owns neither land nor machinery?"

We answer, if the land can be made to produce without labor and the machinery to run without labor, then, as all things will be costless and of no value, he will simply help himself to the limitless store of gratuitous commodities. But if the land and machinery shall continue to require some small modicum of labor to run them, say an hour a day, he will do the hour's work and will get for it a wage as much larger than he now gets for nine hours' work as the increased reinforcement of his manual labor power by machinery renders his one hour's work more productive than his nine hours' now is.

Panics and Bank Notes.

MADISON, WIS., July 27, 1894.

EDITOR SOCIAL ECONOMIST:

(1) Comparing the panics of '37, '73 and '93, which do you consider as the most disastrous? (2) Do you think if the safety-fund system, as advocated by Horace White and John Jay Knox, had been in vogue in 1893, that a greater proportion of banks would have been saved? (3) Do you consider it advisable to continue the bond security system after 1907? If so, why? (4) As a whole, which system do

economists prefer, the safety-fund or bond-security system? Any information which you can give us will be fully appreciated.

Yours truly,

R. W. JACKMAN.

25. Ans. (1) The panics of '37 and '54-'57 and 1893, not yet ended, were all vastly more disastrous than the stock flurry of 1873. The latter is chiefly referred to by those who wish to argue that a panic is possible during a protective period.

(2) The safety-fund system was a scheme for insuring bank-note holders from loss on their notes, and had nothing to do with indemnifying depositors against the insolvency of banks which made bad loans. Hence it could have no merit relatively to the dilemma of the banks in '93, or under the bond-secured system of notes, for under the latter the notes of a failed bank have usually stood at a slight premium over gold, and have always been secure without possibility of loss. What the banks in '93 needed was means of paying their deposits, not of redeeming their notes.

(3) No! The bond-security system is applicable only to a period when redemption of the bank note is made only in the greenback, and has no applicability to a system under which the bank note is redeemed in coin. As we expect to return to the latter long before 1907, we therefore expect the legal tender act to be repealed and redemption of bank notes in coin to be resumed before that date. When that is done, bond security will also have disappeared, as the two systems of bond security and coin redemption are as repugnant to each other as breathing through gills and breathing through lungs.

(4) Only American economists have discussed either the "safety-fund" or the "bond-security" system, as both are American devices. Europeans have regarded theirs as the only generally orthodox basis on which to issue paper money. Ricardo, however, favored a currency of bank notes secured by deposits of government securities.

Cream of the Magazines.

Under this head we only call attention to the articles, in the current magazines, on social and economic questions, giving the point of view or method of treatment and other items that will serve as a guide for readers and students.

CRIME.—*As Involved in the Recent Strikes*, by D. McG. Means; as involved in *Recent Manifestations of Anarchy*, by Henry Holt; as shown in *New York Police Corruption*, by John Brooks Leavitt, and as appears in *The World's General Statistics*, by Henry Charles Lea—all in *The Forum* for August.

Mr. Means takes the old-fashioned physical force view, that of course crime is all and purely wrong, the law-making and law-enforcing powers are always divinely right, and that the whole issue is one of the ability of the former to tread out and stamp out the latter. He commends Cleveland for stamping out anarchy in its strike manifestations, but is politely silent on the point that Cleveland was largely voted for as a representative of anarchic elements, and has preached and practiced anarchy, on certain lines, as effectively as any professional demagogue could well do.

Henry Holt argues that it is folly to wait for an anarchist to commit a crime—he should be killed in advance. This prescription, to say the least, savors slightly of anarchy itself.

Mr. Leavitt holds that New York is too bad a town for an honest man to live in, and that the best thing for him to do is to move out of it and live in a smaller town, as a certain Mr. Lot did in the case of Sodom.

Mr. Lea, as the result of many statistics, inclines to Horace Greeley's view of curing criminals, viz., that the best thing to do is to give the convict a quarter-section of land and a span of mules and let him begin life again, under conditions of greater ease and freedom and better society.

EXPENSES OF LIVING.—*Englishmen; How They Spend Their Money*, by Price Collier, in *The Forum* for August.

This article contains an error of statement which, though it also supplies the materials for correcting it, is likely to be widely copied. It says (p. 738) the Englishman "spends \$960,000,000 for food, \$405,000,000 for tea and \$700,000,000 for liquors." The careless reader will infer that all the food of Englishmen costs but a trifle more than their liquors, whereas their meats alone cost more nearly \$3,200,000,000, or nearly five times as much as their liquors. The correction is supplied on p. 732, where the writer, after summing up this same food bill, says, "he washes down these tidbits and some millions of tons of beef, mutton, pork, rice and potatoes *besides* with heavy malt liquors, etc., costing \$700,000,000 a year." Every reader who happens to overlook this sentence will infer from the article that the meat bill is included in the food bill, and that both together but slightly exceed the liquor bill.

INCOME TAX.—*The Civil War Income Tax*, by Joseph A. Hill, in *The Quarterly Journal of Economics* for July. Shows that "during the ten years that it was assessed it yielded \$376,000,000, which was more than one-fifth of the total interval revenue for that period." This, however, "will hardly explain or justify the movement in favor of a personal income tax of the form now proposed and under the present conditions."

IRISH INDUSTRIES.—*A Great Experiment*, by T. W. Russell, M.P., in *The Fortnightly Review* for July. Showing what has been done to aid Irish fisheries, agriculture and manufactures, through the provisions contained in certain acts passed under the secretaryship of Mr. Balfour whereby a definite fund of £41,250 annually (or £1,500,000 principal) was taken from the church surplus fund and applied to the development of Irish industries.

LABOR.—*The Failure of the Labor Commission*, by Beatrice Webb, in *The Nineteenth Century* for July. Miss Webb points out that after the publication of sixty-seven voluminous blue books, and an expenditure of nearly fifty

thousand pounds, the Royal Commission on Labor is not able to say whether the trade unions in England include 871,000 members or a million and a half, and have only one suggestion to make, viz., that the trade union organizations be suable on their contracts and for their torts. This would make them primarily liable for the damages due to their strikes, and is justly regarded by Miss Webb as a sinister and capitalistic suggestion.

LABOR UNIONS.—*The Plan of the Labor Leaders*, by W. L. Sheldon, in *The American Journal of Politics* for August. The writer regards labor agitations as useful, yet as the product of a few "labor leaders"; that these have a specific adaptation to their work, generally hold their followers in check, derive their cue mostly from abroad, because the "storm center" of the labor movement is in Europe and not here, and that the labor movement is partly one of interest, but largely also one dominated by a sense of right.

POVERTY.—*The Abolition of Pauperism*, by E. E. Hale, in *The American Journal of Politics* for August. Dr. Hale has no radical panacea, only the old methods, keep busy, learn how, lend at low interest, use no grog, and save the pennies.

POVERTY.—*The Unemployed in American Cities*, by Carlos C. Closson, Jr., in *The Quarterly Journal of Economics* (Harvard). The increase of poor relief throughout the country, induced by the crisis of '93-4, corresponds, Mr. Closson thinks, to that in the city of New York, where it rose from \$1,300,000 in the normal year to \$7,300,000 in the year ending with February, 1894. As the population of New York is about one-thirtieth of that of the whole country, this would indicate an aggregate increase of expenditure in poor relief alone of \$180,000,000, due to the effort to take the burdens off the people by reforming the tariff.

PREACHERS.—*The Pay of Preachers*, by H. K. Carroll, in *The Forum* for August. Dr. Carroll exhausts the eleventh census to show that "there are more pastors than judges

with salaries of \$10,000 a year," that the average preacher is better off than the average teacher, and "a preacher with a small income has more chances of comfort than a lawyer or a physician in similar circumstances."

PULLMANISM.—*Pullman and Its Lessons*, by Thomas Burke Grant, in *The American Journal of Politics*. Devoted to writing down Pullman as a "satrapy" and "the best bossed city on earth, whose Pullman bosses always look out for Pullman, and never for the people."

RAILROADS.—*Legalized Plunder of Railroad Properties*, by Isaac L. Rice, in *The Forum* for August. Mr. Rice points out that railway presidents and other chief officers have too large a power of converting treasury stock to their personal profit and of making perquisites out of the companies through contracts, in a way that amounts to stealing in fact, though good in law.

REFRIGERATION.—*Refrigeration from Central Stations*, by W. Wilberforce Smith, in *Cassier's Magazine* for August. It is probable that cold air will be supplied down to the freezing point through mains, and in boxes in lieu of ice, as economically as gas or power or electric light can now be supplied. When that shall be done, instead of going to Long Branch or Newport for a sultry period a city resident will only need to sit down in his parlor, turn on the cold, and go down to zero if he wishes. Every householder will keep the North Pole "on tap" as he now keeps his wine or croton water.

SHIP-BUILDING.—*A Lesson from the Chicago*, by Nauticus, in *The Fortnightly Review* for July. A minute comparison of the American with the English navy, with an argument that Great Britain's true interests are not adverse to a strong navy being attained by the United States.

SILVER.—*The Bimetallic Theory*, by Henry W. Farnham (Yale), in *The Yale Review* for August. *The Gold Standard*, by Brooks Adams, in *The Fortnightly Review* for

August. These two articles present the two sides of the silver question with unusual learning and force, but each ignores the case made by the other. See article on "Neglected Elements in the Silver Discussion," in this issue.

SILVER AND BIMETALLISM.—*Silver and the Tariff at Washington*, by Lord Farrer, with rejoinders by Moreton Frewen, Prof. J. Shield Nicholson and F. J. Faraday, in *The Fortnightly Review* for July, 1894. Economists will have to invent some term like color-blindness to define a condition of the intellect by which opposing experts survey the same phenomena with an acute incapacity in each to see what is so clearly seen by the other. Lord Farrer denies that the fall in silver has stimulated the exports of India except in momentary way. Frewen, Nicholson and Faraday not only affirm that such a denial is preposterous, but claim that Lord Farrer's admission that falling silver imparts a momentary stimulus to exports covers the whole case, since a continuous fall in silver would mean a continuous stimulus of exports and therefore a continuous bounty on India wheat and cotton against that of the United States. The four articles are a discussion of the interview with Hon. Thos. B. Reed published in a previous number.

SOCIALISM.—*How the Bills of Socialism will be Paid*, by Sylvester Baxter, in *The Forum* for August. An argument for socialism on the old lines, without any allusion to the question embraced in its title.

SOCIALISM.—*Socialism and Natural Selection*, by Karl Pearson, in *The Fortnightly Review* for July. A close and masterly argument against the doctrine contained in the work on "Social Evolution," by Benjamin Kidd, that the laws of biology are such that the success of socialism would be attended by degeneration of the human race. Mr. Kidd's doctrine is that necessary inequality among individuals is implied in the doctrines of natural selection and survival of the fittest, and hence that Nature is aristocratic and not

leveling or socialist. Mr. Pearson's answer to this proposition seems to be that "survival of the fittest" and "natural selection" are doctrines which apply to individuals in their struggles for subsistence, but that the social struggle is not on so low a plane as the bald struggle for subsistence; it is rather a secondary struggle, between combatants whose subsistence is insured, for higher comforts, more specialized and differentiated enjoyments and greater range and continuity of social power. In this form of struggle it is not survival but expansion, and not selection but dominion, that are contended for. The contest for these, being altruistic, is achieved by groups, and it is only at the end of this intergroup contest, if ever, *i. e.*, when the highest groups, socially, shall possess the earth, that the struggles between members of these higher groups for existence can begin.

STRIKES.—*The Lesson of the Recent Strikes*, by Gen. Nelson A. Miles, Hon. Wade Hampton, Harry P. Robinson and Samuel Gompers, in *North American Review* for August. The editor aims to get the view of the army, the railroads and the labor leaders, on the recent strikes. Gen. Miles, however, writes as a civilian, Gen. Hampton as a politician, Mr. Robinson as a lawyer and Mr. Gompers as a chief of one of several rival labor organizations.

TENEMENTS.—*Working Class Settlements in Mulhouse and Milan*, by Charles Hancock, in *The Fortnightly Review* for April. An account of certain co-operative building enterprises which have met with marked success.

WAGES.—*The Theory of Wages Adjusted to Recent Theories of Value*, by Prof. T. N. Carver of Cornell, in *The Quarterly Journal of Economics*. An attempt to divide up the cause of wages between several factors and attribute it partly to each.

Among the Books.

The Free Trade Struggle in England. By M. M. TRUMBULL.
Open Court Publishing Co. 288 pp.

This book opens with two letters from John Bright. They do not allude to the contents of the book, but tacitly imply that Bright regarded it as a subservient effort by an American to argue for free trade, by which effort the author thought he had necessarily earned the approval of any Englishman as such. The only fact worth noticing in the book is one which applies equally to Mongredien's book on the same topic. Neither of them gives any information on the question whether England was benefited or injured by the repeal of the corn laws. Neither author seems to entertain any conception of what kind of facts would bear on such a question. He does not compare prices of corn in England before the repeal with prices of corn in other countries, to show whether the effect of the corn laws while they existed was to make corn (breadstuffs) higher, and bread itself dearer or more adulterated than in other countries. He does not compare the areas and acreage of cultivation in good harvest years with those in years of higher price, with the view to find out whether before the repeal short crops in one year led to larger areas of planting next year, so as to make the scarcity of one year bring abundance in the next, through an extended area of culture, as was contended by Tooke, Malthus and other advocates of the laws. He does not compare prices of corn before the repeal with prices in the years after the repeal, to see whether the people really got cheaper corn after than before. He does not compare consumption of corn or bread per capita before and after the repeal, to see if the people got more bread or cheaper through that event. He does not describe the condition of affairs in 1847, just after the repeal, to see if that sudden drain of gold to pay for breadstuffs, which he says protectionists as spiteful as Lord George Bentinck had predicted, ever

actually occurred; nor whether, if there was such a drain of gold, it produced widespread bankruptcy, cessation of industries, and what is generally known as a great financial crisis in that year. He does not compare values of lands, houses and factories in Birmingham, Manchester and other towns in the year or two after the repeal with values of the same before the repeal, to see whether it sent property up or down. Sir Archibald Alison in some of his essays has done this, but Trumbull, like Mongredien, is silent not merely on this particular fact but on every fact that could be called economic. He does not compare the area given to the cultivation of corn in England before the repeal, with that after, to see whether the predictions of Bentinck and Beaconsfield were or were not fulfilled, to the effect that the diminished cultivation of grain in the islands would create a vacuum in the domestic supply which the imported supply would exactly equal, leaving the total supply per capita neither greater nor less through the free importation. He does not produce any economic fact tending to show whether the repeal substituted abundance for scarcity, or whether it only effected a displacement of the domestic and a substitution of the foreign supply. Mr. Trumbull is so made up that these materialistic problems neither arrest his attention nor stimulate his inquiry. He does not show whether agriculture, which was the branch of British industry assailed by the repeal of the corn laws, continued prosperous, as Cobden had predicted, or whether it reeled and fell under the blow, as the protectionists had thought it would. He does not attempt to refute the statement that since the repeal British and Irish lands previously cultivated to corn have gone out of cultivation at the rate of 80,000 acres in each and every year, which if continued in cultivation would have supplied the British people with bread as cheaply as they were actually supplied at least until a period twenty years after the repeal, thereby doing much to conserve the prosperity of Ireland, the peace of the kingdom and the

welfare of the United States. The sagacious and historical mind of Mr. Trumbull, and his ardent and perfervid temper, disdain these quantitative analyses, which after all end in vulgar statistics of the harvest, the bin, the granary and the cupboard. Against all these his finer ethical spirit rebels, and even, like a Mexican pony, "humps" in a way to make the seat of any thoughtful rider uncomfortable if not insecure. The soul of Mr. Trumbull glows only under the well-pressed bellows of a moral issue. His heart beats with a power indicative of enlargement in the valves when there is a precious opportunity to take down his hod of literary brick from his uneasy shoulder, and hurl one with a democratic statesman's intelligence at some sconce which he conceives to hide the protectionist vagary. Mr. Trumbull recounts the meetings held, moneys raised, speeches made, victories won, tar-barrels burned, rockets fizzed to heaven, all the pomp and glorious circumstance, fanfaronade and fuddle necessary to change the minds of the manufacturers of Great Britain from the generous belief that they could not afford to jilt the farmers, into the more sordid notion that they could and would. It is well. There is always a side to every question upon which, if one wishes to speak successfully, he should beware of learning too much. Otherwise his wisdom will compel his silence. The protection question is a question of this kind, but there is no reason to believe that Mr. Trumbull will ever be reduced to silence upon it.

The New Era, or the Coming Kingdom. By REV. JOSIAH STRONG, D.D. New York: The Baker & Taylor Co. 1893. pp. 374.

Doctor Strong regards the present century as one of preparation. The human race, although of great age, is still in an early stage of development. The many and striking changes in industrial and social life portend yet greater changes. The final form of society he finds revealed in the Bible in "The Kingdom of God upon the Earth,"

which he interprets as "the perfect development of the individual, and the perfect organization of society." All things point to a more rapid progress toward this divine ideal in the future than in the past. Just what form of organization society will take he does not say, but it will be based upon the principle of a "complete co-ordination of the world's industries, which will enable each people to render to mankind the greatest service of which they are capable and which will insure to all the largest possible return for service." Whether this means socialism or not is not clear, but Doctor Strong evidently looks for some form of christian socialism, since he regards many of the complaints of socialistic labor agitators as directed at what he considers fundamental errors in our present system. In one place he says, "Labor is rated as a commodity whose price is determined solely by the law of supply and demand," and yet a little further on he more rightly says, "If the workman furnishes all these (materials, tools, machinery and building) as well as the work, the product is wholly his. If capital furnishes a part, than a part of the product belongs to capital." If he will only follow this principle out, he will learn that his preceding statement is wrong. Labor is a commodity, to be sure, but its value is not determined as he says, but by what the laborer himself contributes, or puts into his product. This fact once clearly perceived, he will not look for any form of socialism.

The work is a disappointment. We would not presume to object to Dr. Strong's interpretation of Christianity, or criticise his view that the remedy for our present social ills must be found and applied by the Christian church. But when the author deals with social problems we are surprised that he is not more exact and suggestive, for it is here that he intended his work to be most influential. Many a clergyman will read the book and be almost entirely dependent upon it for his economic instruction. It will be quoted many times. It is a regret, therefore, that

some of Doctor Strong's statements and illustrations are plainly erroneous and misleading. On page 149, for instance, he says that "in cotton factories the operative produces nearly four times as much as he did fifty or sixty years ago, while his wages have been increased only 80 per cent." He ignores the fact that the increased production is due not to increased efficiency on the part of the operative, but to vastly improved machinery. The operative receives 80 per cent more in wages only because he is that much more economically valuable to the community. That is to say, his standard of living has been raised that much. The new machinery, on the other hand, while costing more than the old, has at the same time increased so rapidly in efficiency as to cheapen the product. This has reacted upon every operative so that, although he can obtain only 80 per cent more wages, he can obtain with his wages nearly six times as much of his product. In his illustration under this head he quotes, "The Pacific Mills paid a dividend of 22 per cent," and at the same time "were paying the munificent wages of ninety cents a day. The Willimantic Linen Company pay the same wages, and one year declared a dividend of 80 per cent." This is a bad quotation. If he had known the facts, he would have said the Pacific Mills pay the highest wages in Massachusetts, and that there are many operatives in these mills who earn \$3.50 a day. If the Willimantic ever paid a dividend of 80 per cent, it was under very exceptional conditions which form no criterion as to the regular or ordinary profits of the company. His readers, especially those who will not be able to verify his statements, will thus be led into wrong and unsettling views of social conditions.

The Ills of the South; or Related Causes Hostile to the General Prosperity of the Southern People. By CHARLES H. OTKEN, LL.D. G. P. Putnam's Sons. 277 pp.

The careful perusal of this work must satisfy every reader that the abolition of slavery in the Southern States

leaves the industrial problem very nearly as Fred. Law Olmstead described it, forty years ago, in his "Journey Through the Seaboard Slave States," with the modification that the *per capita* product of the free black labor to-day is much less than that of slave labor then was. There is the same system of long time credits extended by the merchants as existed then; but now, in return for these credits the merchants get the farmers securely in their grip, selling them goods at enormous rates of profit, and, through the liens which such sales give them, coming into possession of so many farms under foreclosure, that the "merchant farmers" become a baronial class, each owning hundreds of farms, and are in many localities the only possessors of capital enough to employ the labor and make the improvements necessary to run the farms at a profit. The writer regards the blacks as thriftless, ignorant, lazy, and in the main worse off than they were under slavery. On the whole, the general spirit of the book is of the "Cursed be Canaan" order.

It does not discover any sources of disaster that are chargeable to the old plantation whites or to the old plantation system of industry. In its view they stand for persecuted virtue, deserving thrift, and all the honor, intelligence and fidelity their situation leaves possible. The author shares with them the old notions that the home of virtue is in rural populations; cities are corrupting; agriculture alone develops moral communities; manufactures break up the social level and make society a struggle between rich and poor. The writer seems to hold that traders and merchants are about as blood-sucking a class of vampires as the social welfare of the South can tolerate. Manufacturers, bankers, and their hangers-on the inventors, authors and scribblers are not to be thought of. Without intending it, the author unfurls the banner of "the Old South," the standard of the rock-ribbed Bourbons. His argument is substantially, "The cultivators of the South are running behind—growing a little poorer every year.

Cause: They raise too much cotton and too little corn, they live too well and buy too many things they could do without by pinching. If they would only pinch more all would be serene." What he means by "pinching" is that much of the education, clothing, house ornaments, etc., should be dispensed with. Lower wages only are consistent with the general good. The gentleman should be more nearly a Tartar than he is. When the seductive merchant offers to beguile him into the purchase of seed for 800 acres since his home supply will plant only 400, he should say, "Get thee behind me, Satan. Thou hast a base intent to charge me \$1 a bushel for seed worth only 60 cents." So if the merchant offers to sell him ploughs and harrows enough to till 800 acres instead of 400, or to sell him extra mules, fertilizers or fence wire, he should rather leave his lands untilled or tilled badly than run in debt for means to till them well.

The condition which our author brings to light is that the merchants who extend credits in the South are fast coming to own the farmers. They are coming into a relation to the farmers much like that which the great brewers of Northern cities sustain to the saloon-keepers and liquor-sellers. They put up the carved mahogany counters and plate glass fronts for the "saloon paupers," in order to have more funnels into which to pour their beer. In short, throughout the South the merchants have become the bankers of the South, as the farm mortgage companies have become the bankers of the West. In one respect our author speaks guardedly and almost mysteriously. He says:

"The man who expresses his convictions on any important matter, however sound, however true, however pure the motive, if he antagonizes personal or class interests—interests hurtful to the community, may expect maledictions.

"It is the doctrine that a man in a public position must not express his convictions concerning any wrong

that affects the interests of society. "It is a doctrine firmly rooted in the general belief."

At this point Dr. Otken approaches delicate ground, the vast oligarchic primal law of Southern society, viz., "Praise Mrs. Grundy and compliment our social conditions or suffer lynch law." This has caused a general suppression of free discussion throughout the South, and wherever there is a suppression of free discussion, ignorance and error must reign.

Dr. Otken barely hints at the dominant evil of Southern life, viz., its despotic narrowness and one-sidedness. This makes the South as great a burden upon the North politically as the negroes are upon the white South. It fences in the South from all economic education. Only one set of economic opinions can be taught there.

A Colony of Mercy, or Social Christianity at Work. By JULIE SUTTER. New York: Dodd, Mead & Co. 1893. 351 pp, 8vo.

It has become nearly a settled proposition in economics that industrial phalansteries, or groups of communal workers, can only become successful where the economic impulse toward communism is sustained by a religious enthusiasm tending toward unselfishness and brotherhood. Those who desire to study the workings of such a system under all the aids afforded by humble patience in toil, and a single-minded and simple-hearted pursuit of Christian excellence, will find this book adapted to their inquiry. Its subjects are German Christians ready to make a business of their religion and a religion of their business. Of course they could not fail.

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Mr. Gunton is thoroughly at home on his subject. He has thought upon no other for years, and what he says he says clearly.—*Boston Transcript*, February 19, 1891.

Not a few of his criticisms on current theories are of great value.—*New York Independent*.

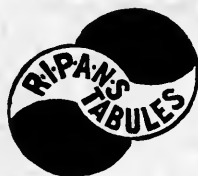
Mr. Gunton's facts and interpretations of facts, if not always conclusive are always full of encouragement. He presents new and important aspects of old problems. He has thought for himself, and the result is suggestive."—*New York Commercial Advertiser*.

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SOCIAL ECONOMIST

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GEORGE GUNTON, EDITOR.

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SOCIAL ECONOMIST

OCTOBER, 1894

Fresh From English Roads.

It has become the fashion for Americans when going abroad, and particularly when going to England, to become Anglomaniacs. They forthwith see everything through English eyes, and not infrequently sneer at everything American with an English drawl. To them water is not as wet nor eggs as full here as in the Queen's dominions. They begin to adopt English manners and ideas; advocate English methods, and, of course, end up with being free-traders and chronic fault-finders with everything American. To all this Mayor Gilroy is a striking exception. Judging from his interview with a New York *Sun* reporter, he has become such an intensified American as to prefer New York dirt to London cleanliness.

As a free-trader he is willing to force upon America the worst features of English economic policy, but opposes the one thing in which England is ahead of America, namely, the treatment of her streets and highways. Indeed, he seems to delight in championing our bad streets, which are the striking defect of American cities.

He says: "As to the matter of street-cleaning, New York has had to stand her full share of abuse on that score. I want to say right here that she is no worse in this regard than London or Paris as I have found them from personal observation. These cities are clean in spots and dirty in spots, just as New York is. I noticed Waterloo Road, one of London's principal thoroughfares, as I traveled it to the railway station on Sunday. It was a little before noon. It was in a positively filthy condition,

and no attempt had been made to clean it, though there was hardly any traffic on it that day."

This remarkable statement must have been intended for those who have never seen London's streets nor traveled over English roads. We happened to be spending a month in London at the same time his Honor was there, and paid special attention to the condition of the streets, the housing of the poor, their wages, style of living, etc., and are entirely unable to confirm the Mayor's remarks. In all things except condition of the streets, England is distinctly inferior to America. Her gang system as seen in Cambridgeshire, with women working for ten pence (20 cents) a day; women (mothers nursing babies), dressed like men, shoveling coal at the railroads and pit's mouth for two shillings a day (48 cents), as seen in Wiggin; the miserable thatched huts with two rooms, scarcely high enough for a person to stand erect in or large enough to hold a full-sized bed; agricultural wages for men with families, ten shillings (\$2.50) a week and in hay-time eleven shillings (\$2.75) a week; and the iron class-distinctions, which have no counterpart in America except as they have been engendered during the last eighteen months, all put England below America. But English highways and the streets of her cities are obviously as superior to ours as her wage conditions are inferior. •

To say the streets of London are as dirty and disorderly as the streets of New York is about equal to saying that ink is clearer than Croton water. Mayor Gilroy says he saw Waterloo Road very dirty on Sunday when the traffic was light. Of course, the traffic was lighter on Sundays than other days, but the street cleaners are practically suspended on Sundays. The Mayor knows that is also true of New York, but he never saw Waterloo Road, even on Sundays, one-tenth as bad as nearly all the streets east of Third Avenue and west of Sixth Avenue in New York are all the time. As to general cleanliness, there is no comparison between the streets of New York and London.

The Mayor cannot find ten blocks of streets in all London, even in Aldgate, Whitechapel or Bethnel Green, in any such disgraceful condition as Second Avenue above Twenty-third Street, to say nothing of the miles and miles of avenues and cross streets further east which are very much worse. These avenues are not merely strewn with papers and garbage and barrels, but they are literally cluttered up with empty trucks and wagons, the like of which cannot be found in London, Manchester, or any other large English town; probably nowhere outside of New York.

The state of repair of New York streets is not any more comparable with the London than the cleanliness is. In all the distance from Putney to Mile End there is not a quarter of a mile of streets in any such disgraceful or dangerous condition as the entire length of Eighth Avenue. Moreover, Eighth Avenue is one of our great thoroughfares that has been recently asphalted, under the superior administration of Mayor Gilroy or his immediate predecessor. The pavement is only three or four years old, and it is now so badly broken up that it is positively dangerous to drive over it. The holes, which are half a dozen to a block, form little cesspools of mud. If this work had been honestly done, it should, with a little care, have remained in excellent condition for at least ten years. The wooden pavement of London lasts nearly that length of time. We saw many miles of wood pavement in the heart of London, where the traffic is thickest, that were three years old and not a defective block to be seen. As everybody knows who has visited London, the pavements of that city are smooth, and in such constant good repair that one can ride in a cab for hours utterly unconscious of passing over any pavements whatever. The streets of Manchester and Liverpool are in as good a condition as those of London, but are mostly made of stone.

The Mayor continues: "Much that Americans find to commend in London and Paris comes from the character of their pavements. I am prepared to say now that the

pavements of New York are better and more economical. The pavements which Americans take to so kindly are made of wood. In the climate of New York and with the traffic of this city, which is far beyond anything the pavements of either London or Paris have to endure, they would not last a year."

It is true that what Americans and everybody else like in London is *the character of their pavements*—their smoothness and their excellent condition. They are substantially free from ruts and holes, so characteristic of New York streets. They are so constantly swept that refuse hardly ever becomes an hour old. Indeed, it may be said that the entire streets of London are practically as well furnished with cleaners as is Broadway from Eighteenth to Twenty-third Streets. The mayor's statement that "I am prepared to say now that the pavements of New York are better and more economical," is beyond characterization.

Whether the wooden pavements which work so admirably in London would prove as satisfactory here, we are not prepared to say; but in the light of Mayor Gilroy's inability correctly to report on the actual condition of the London streets, his opinion as to the quality of London pavements may well be discounted.

Wooden pavements may not be as durable as good asphalt, but when honestly laid they are evidently more durable than Tammany asphalt as seen on Eighth Avenue. Equally interesting is the Mayor's remark that "it [wooden pavement] rots easily, absorbs all sorts of impurities, and, I believe, is a breeder of disease." If this is correct, then the sanitary administration of New York must be vile indeed; for although New York has no wooden pavements at all, the death rate is over twenty-six to the thousand inhabitants, while in London, where the wooden pavements are almost exclusively used, the death rate is only nineteen to the thousand inhabitants.

The roads of England are as superior to those of America as are the streets of English cities. We had

occasion to drive over two hundred miles from London through the southeastern counties of England, and we did not encounter two miles of road that were not substantially as good as the drives in private parks. In almost everything, except the condition of its streets and highways, America is immensely superior to England, but in this it is distinctly inferior. To deny this fact is simply to show a disregard for accuracy, as well as a painful lack of good taste and appreciation of public decency.

Speaking of the Telford and McAdam pavements of Regent's and Hyde Parks, Mayor Gilroy is entirely right. Both as to beauty and the condition of its drives, Central Park is immensely superior to London parks. Why should not our streets be as good as our parks?

There is no reason why American cities should not be superior to European. Architecturally, English towns and cities are not to be compared with American. We have more beautiful buildings, and our streets are altogether better laid out. All that is needed to make our cities the admiration of the world, is that they should be well paved and well cleaned and kept clear of vehicles not in use.

One great reform needed in America is the improvement of our streets and highways. It is the duty of every patriotic American, and especially those who expect to hold responsible municipal offices, to urge on the public movement in this direction by trying to create public sentiment in favor of municipal improvements. This can only be done by pointing out the defects in our present methods and ideas, and the need of a higher standard of municipal life. Were Mayor Gilroy as intensely American as he is Tammany, instead of praising our bad streets and sneering at the better streets abroad, he would have returned with a new inspiration for greater efforts to make New York what it ought to be, the most beautiful city in the world. He would have pointed out the great work that needs to be done, and tried to create public sentiment toward doubling the appropriation for public improvements.

This would have been a truly patriotic kind of Americanism; but to praise our mud and compliment our neglected pavements, and try to divert the people's attention from the disgraceful cluttering of our streets by unused wagons, practically turning the greater part of our streets into barnyards, savors of the stultified politician who cares more for party advantage than for public welfare.

If Mayor Gilroy's interview correctly represents his sentiments regarding the condition of the streets and need of public improvements in the city of New York, and if in this he represents Tammany Hall, then no better reason could be advanced for permanently removing him from office. Mr. Gilroy and his followers may be entirely honest. They may be doing the best they know, but if they do not know any better, if their standard of cleanliness and public decency is indicated by the present condition of New York streets, they are utterly unqualified for administering the affairs of the American metropolis. New York ought to be and can be the cleanest and most attractive city in the world to live in, and all that is necessary to make it so is to select an administration that can recognize the difference between dirt and decency, and will put public welfare before party advantage.

Gayety Over Hard Times.

The *Evening Post* wonders that the SOCIAL ECONOMIST is really sad over the depreciations and losses inflicted on the country, and especially on wage-workers, by the Cleveland tariff raid. It seems to think that gayety is the proper form, now that the values in the country have shrunk by twenty billions of dollars, in order, forsooth, that "Massa Oglethorpe," of Lonely Hole on the Tombigbee, may save a few cents a bale on the cotton ties which he buys at one-half a cent a pound, and sells at the price of cotton, seven cents a pound, or that Farmer Joe Cose, of Holland Centre, may profit by a little more than sixtyfold on the salt which

he buys at 60 cents for a barrel of 180 pounds, and sells with his butter at 32 cents a pound. To gain these pigmy profits, a race of economic pismires has made a shrinkage in our annual production of four billions, in our aggregate values of five times as much more, and have dismissed to idleness an army of workers greater than Marlborough, Napoleon or Grant ever led into action. The *Evening Post* evidently thinks, like Nero, that the proper thing to do when Rome is burning is to fiddle, or, perhaps, like Anthony, that when an empire is falling to pieces one should share the witcheries of Cleopatra, and trust the wisdom of the howling mobs that are clamoring everywhere for they know not what, so that it be something else than what they have. The *Post*, moved to utterance by our article on the Gorman tariff law, says:

Depressed protectionists are not hard to find nowadays, but we think it would be hard to find one more depressed than Prof. George Gunton. In the current number of his *Social Economist* he takes a very gloomy view of the new tariff. This pernicious law "of course implies a cessation of \$100,000,000 in the employment of American labor in these two lines [woolens and steel] alone," and this fact naturally makes Gunton bitter on the subject of the "ignorance" of "a number of professors of political economy in our colleges," which "makes them enemies of the country's welfare as truly as if they were fitting out privateers to prey on its commerce." But what chiefly depresses this professor of political economy who is not ignorant, being not in a college but at the head of a "School of Economics," is a fear lest the headstrong people may not "learn the things which these object lessons teach." He recalls, in a spirit of deep pessimism, the fact that, "in 1857, after three years of hard times due to tariff reduction, Congress passed an act still further reducing the tariff." This is what makes Gunton's depression so grand and peculiar. Others have rivaled or surpassed him in describing the evils into which the reduced tariff has plunged us, but they all smack their lips as they wind up, "But just wait till the people get a chance to re-enact the McKinley tariff." Gunton, however, seems to have lost faith in the people as well as in the colleges, and to have become convinced that they will like the disasters of the new tariff so well that they will call for more of the same.

We print this article in full because it is written in the *Post's* best jerky-quotation-mark style, the effect of which might be injured by abbreviation. It is true we are unable to take an optimistic view of the new tariff. To be sure, it is better than the Wilson bill would have been,

and the most encouraging thing in its favor is that it was not bad enough to receive Mr. Cleveland's signature. But just what the *Post* takes exception to in our article we are unable to decipher, except, perhaps, it be the frankness of statement, to which we plead guilty. Does the *Post* pretend to believe that the new tariff will not seriously injure the woolen, tin plate, jute, iron, steel and other industries?

It is quite true that we hold the teachers of political economy largely responsible for the industrial disaster of the last few years; not because they did the voting which elected our panic-creating administration, but because they occupied a quasi-authoritative position, although for the most part they have not even studied the question except in the abstract, and from a purely English point of view. Their general advocacy of free trade has been taken as furnishing a scientific and scholarly backing to the crusade against American industries. This even the *Post* will hardly dispute, since it claims them all on its side.

As for trusting the people, of course, we do not trust the people when we distrust their teachers. Does the *Post*? Does the *Post* pretend to believe that popular opinion is always synonymous with wise statesmanship? Does the *Post* believe in the judgment of the fifty thousand majority in New York City which year after year puts Tammany in power, whose corruption and incapacity it cannot find adjectives strong enough to describe? The horse sense of seventy millions of people may be trusted on matters upon which they are informed, but the subtle subjects connected with economics and public finance they have not studied, and upon these they are not informed. On these they follow leaders who are chiefly editors and politicians, whose attitude is controlled by party managers, and these, as the *Post* well knows, decide far more on party expediency than on public advantage.

Take, for instance, the attitude of the Democratic press before Mr. Cleveland's famous 6th of December

letter (1887). Not five per cent of the Democratic papers were in favor of free trade or anything approaching it. This letter committed the party to an onslaught upon the tariff, and within three months ninety per cent of the Democratic papers were attacking the whole protective system and berating those who advocated it. No change of economic conviction had taken place among these editors, for a large proportion of them had no convictions upon the subject. No new information had been received, and yet the great voting mass in the Democratic party faced about, knowing practically no more about it after than they did before their change of front.

Does the *Post* pretend that it has faith in the judgment of the people on the silver question, on populism, socialism and anarchy? Yet the popular demand for these economic heresies is steadily spreading. In its fear of these heresies, whom does the *Post* distrust but the people, the voters? Of course it is not the great mass of the people who do the thinking on these subjects. They create problems, but they do not solve them. Manufacturers, merchants, farmers and laborers are too busy getting a living to give much time to the study of such questions, and since these subjects occupy almost no place in their education, they are naturally very superficial and follow their party leaders. When they follow leaders like the *Evening Post* and Grover Cleveland we have panics and depressions. When they follow the leadership of statesmen whose judgment is based upon American experiences, and who are interested in promoting American industry, we have prosperity; but if from their prejudices against capital, and the persistent misrepresentation of American business men by the press, as during the last few years, they should follow the amalgamated, socialistic populists, we may have industrial chaos and perhaps political disruption.

The people as a whole are honest, which is more than can always be said for their leaders. They constantly demand improvement and push for reforms, but are often led

in the wrong direction. Popular opinion expresses the desire of the people, but it does not always represent good judgment. It is doubtful if we ever could have had our modern protective system, which, with all its defects, has done so much for the nation during the last thirty years, if we had depended entirely upon popular judgment. Nothing but the accident of the Secessionist rebellion, which put the free-traders out of the Union, enabled the Morrill tariff bill to be passed. Much of the prosperity of the last quarter of a century was made possible by the removal of these rebel free-trade obstructionists from political power.

There is little doubt that this fall the people will turn the free-traders out of office, but this will be due largely to the fact that they are smarting from the direct effects of one of the most stupid, not to say ignorant, administrations that ever disgraced the Republic. Under the sting of this experience they will doubtless administer summary rebuke, but what they will do in 1896 is quite another matter. They are nearly as likely to succumb to the sophistry and clap-trap of the very promoters of this disaster, as they are to heed the voice of the real friends of the country. It is now well known that the present administration was elected chiefly through a vigorous and unscrupulous campaign of misrepresentation, based chiefly upon the economic ignorance and general gullibility of the average voter. After they shall have somewhat recovered from the shock of the political Waterloo awaiting them in November, they will again have recourse to similar methods of propagandism. This is evident from the bluff campaign now being conducted by the *New York Times* and other journals claiming that the new tariff law is "booming" business, and from the determination of the promoters of the new law to continue the agitation for another slice of tariff reform. How well such methods will succeed in 1896 will depend largely upon how little advance is made in the direction of economic education of the masses. If protectionists rely too confidently upon the flush victory of this year, as showing a

permanent change in economic conviction among the people, a Socialistic-Democratic landslide may be expected in 1896. An ignorant populace is more fickle and often more dangerous than an intelligent despotism, but an intelligent democracy is the highest safeguard of freedom and progress. Shall we have a well-informed democracy and continued prosperity, or shall we have economic ignorance, bluff and disaster?

De Foe and Malthus.

Of the 157, or, as others say, 210 printed works attributed to Daniel De Foe, nearly all had a social drift. In their total they cover many of the phases of modern social discussion, in an aspect so strictly economic that they have been denounced as mean, and calculated to minister only to the most intensely lucrative and shopkeeping spirit. He wrote a book on the insolence of servants who asked higher wages. His "Complete English Tradesman" is designed to prove that trading is nearly as honest a mode of getting wealth as inheritance, and that England could lead the world in trade. These propositions in his day (1661-1731) were both moderately revolutionary. They tended to show that the landed gentry and the army were but little above the merchants and artisans morally, and that the future of England lay in trade more than in war. He wrote a "Plan of English Commerce," in which he taught that England should allow no pound of wool to go abroad until she had manufactured it, and a "Tour through the whole Island of Great Britain," which, in connection with his "Complete Tradesman," would, in a country which was taking no census of its industries, possibly help the people in a crude way to find out something about them.

His novels were all of the *blasé* social type, with a flavor of Tolstoi, Hugo and Zola. His "Moll Flanders" and "Roxana" were memoirs of women of the *demi monde* who were not wholly beneath the level of their pursuers. His histories of the devil, of magic, of apparitions, and his

"Journal of the Plague," show that he was a born writer of the descriptive sort, not profound or learned or systematic, not a thinker in any deep way, but a sensible, garrulous, self-educated, observing literary peddler who knew what wares the public would read and cared to have no other in his pack. Pope in his *Dunciad* calls him "the restless Daniel." He fell in with the thought of his period, and put most of his mental force into backing up its dissenting religiosity, or that phase of half-baked mentality which left a man to believe that the greatest service he could render to mankind would be to prove that all conformists, papists and atheists are equally in need of divine grace, and that English dissenters only have seen the truth of God.

The grade and order of his mind, in these respects, may be judged from the few opening lines of his doggerel entitled "The Free-born Englishman," which at the time, and among the people for whom they were written, were probably regarded as keener in their satire than a scimeter. It was probably this poem which causes him to be mentioned as one of the smaller dunces of the *Dunciad*.

Wherever God erects a house of prayer,
The devil always builds a chapel there;
And 'twill be found upon examination,
The latter has the largest congregation.

He knows the genius and the inclination,
And matches proper sins for every nation;
He needs no standing army government,
He always rules us by our own consent.

De Foe probably never thought of economics as a science, never scanned an economic work, or even considered the problem whether the social forces that relate to wealth are governed by principles which form a distinct system of natural law or laws of science, like those of physics, biology or ethics. Yet in the single work "*Robinson Crusoe*," which like a strong swimmer has rescued all his others from drowning, he succeeds in illustrating with rare romantic art the single economic thesis that for a

civilized man to sustain life outside of society is barely less than a miracle.

So impressive is this lesson upon the universal human mind, that though De Foe has been one hundred and sixty-three years dead, at least twenty-five distinct American editions of his works are now in course of passage through the press constantly, each selling, as publishers inform us, from 18,000 to 30,000 copies every year—to say nothing of the editions printing in other English-speaking countries, and in the world's various languages. It is impossible to conceive a mind that would not be held enthralled by "Robinson Crusoe," in spite of its homely simplicity of narration, nor would any culture be complete without it. The great books in point of circulation with which it comes into near rivalry are chiefly religious. Unlike them, "Robinson Crusoe" meets no foe in any faith. It contains no line which the advances of science or the improvements in morals render it necessary for any sect or school to discard, and into the best company it always enters with the ease of one whose record is polite.

Thirty-three years after De Foe died, Thomas R. Malthus was born, who at twenty-one years of age "received orders" as a clergyman of the Church of England, and at twenty-two years of age (in 1798) wrote "An Essay on the Principle of Population as it affects the future Improvement of Society," which was the germ of all that he ever wrote or did.

The principle which formed the thread on which all his historic illustrations were strung, was that man tends to multiply faster than his means of subsistence. By inference, which the world was quick to grasp, there is a geometrical necessity that man must be killed off at a rapid rate by poverty, disease, war and other life destroying agencies or there will not be standing room on the planet. One of the Herschels, astronomers, computed the period, not many thousand of years, in which a single human pair would so multiply as to fill the earth until,

standing shoulder to shoulder, and on the shoulders of each other, they would extend, in a solid circumference and crust of muscle, 240,000 miles in depth, to the moon. Obviously, in the face of mathematics so oppressive, murder comes as a benign relief and a humane luxury. And in a world to which murder is a blessing in disguise, one must be gone clean daft to complain of long working hours, or of dust breathed in factories.

The biographers of Malthus, oblivious to the unconscious humor of such a performance, replied to these accusations of inhumanity in Malthus' principle by pointing out that he devoutly led in family worship, said grace before meat in a manner that impressed the ungodly as well as the truly good, and died leaving a name and a modest competency, of which his widow was justly proud.

If the difficulty of subsisting man really increases with his numbers, the maximum of ease must have been attained by Crusoe himself when, before the arrival of Friday, he could say:

From the center all round to the sea
I am lord of the fowl and the brute.

De Foe and Malthus thus become the chiefs of two antinomial clans of ideas, one of which sums up in the sentiment, society is the savior of the individual, and the other in the antagonistic view, numbers are the ruin of the race.

Malthus is as respectably and acutely dreary as De Foe is vulgarly and crudely fascinating. About as many single copies of his "Principle of Population" sell yearly as there are independent editions of Crusoe, each numbering many thousands. But the contrast in the actual reading is much greater. Malthus remains in every library with blocks of pages uncut, while each copy of Crusoe has been thumbed, worn, soiled and rumpled by many readers. Every copy extant is as homely with use as an old shoe.

But popularity is no test of truth, and the charge of inhumanity is no answer to it.

Mr. Malthus' "principle" has become a recognized doctrine of classic English political economy. The very statesmen who in Canada reward the father of twelve children with a hundred acres of land, and expend millions of revenue out of an economic treasury to attract immigration, require that in the universities of Toronto and Quebec the truth that population is a calamity shall be taught along with mathematics and the rule of three.

Sir Archibald Alison in 1840 wrote a counter treatise on the "Principle of Population" which nobody reads, because it is never necessary to read a book which conforms to the common sense of men, but only one that assails it. Mr. Alison averred that means of subsistence and man are reciprocally cause and effect to each other. Causes could not outrun their effects. Stated as a universal law of life, the lower the form of life, the greater its power of reproducing its kind.

Malthus in all his illustrations measured the hypothetical possibilities of the procreative faculty in man against the actual probabilities of procreation in his food in each particular country.

The highest hypothetical possibility of procreation in a human pair is that two persons will produce twenty-five offspring in fifty years. "Surely," observed Malthus, "China could not in twenty-five years even double its food product." But a single grain of wheat has a hypothetical capacity to produce 130 bushels, containing 460,000 grains each, in two years. This is a capacity of production several million times greater than that possessed by the human pair, and all the tendencies of man as a cultivator of crops are toward making this capacity actual. The theoretical capacity of production in wheat is many times less than in potatoes or herring. A herring has a theoretical capacity of producing 10,000 individuals in a single spawn.

Malthus measures this sort of theoretical capacity in man against the probable capacity of a farm, or of England, or of Asia, to increase its supply of food. The two data

compared are not germane. The population which doubles in twenty-five years does not produce its own food. It produces food's worth, or that which purchases food. The fact that it doubles proves that it must have doubled either its supply of food or of food's worth. Food's worth makes no such demands for space as are made by food production. Moreover, no check upon the growth of population is so sharp and decisive as assured wealth. The absolute ability to support a family, without labor, sterilizes the husband, and incapacitates the wife for childbirth, in so large a proportion of instances as to amount to a law of final divorce between wealth and fecundity. The propagation of the race depends essentially upon the poor, the thriftless and the inconsiderate. The thrifty, calculating and forehanded have very little part or lot in it. It is doubtful if Mr. Malthus duly estimated that wars, plagues and pestilences are followed by periods of sudden revival in procreation, which make up for lost time and lost numbers. They are almost invariably attended by such an increase in the activity of the general societary movement, and expansion in the volume of money and credit through the loans and issues of legal tender notes necessary to carry them on, that they become or are followed by periods of rising profits to capital and increasing wages to labor, which stimulate earlier and more numerous marriages and invite immigration from surrounding nations. The epoch of England's wars with Napoleon, 1795-1816, marks also the advent of her most rapid growth in manufactures, commerce, banking, shipping and population. The peace which followed, stretching from 1816 to 1837, has many of the marks of a continual decline in material prosperity. The most marked illustrations of vast increase in wealth and population are closely connected as consequence with intensely exhausting wars. The bitter struggle of the United States against the Confederate rebellion showed this with a vividness which was everywhere felt. We entered the war with a population of 31,443,321, of

whom about twenty millions were north of the dividing line and about eleven and a half millions were south of it. The indirect tendencies of the results of the conflict to promote a growth in population in excess of what could otherwise have occurred are obvious. Had there been no armed conflict there could have been no return to a protective tariff, hence no general and rapid growth in manufactures, mining and chemical industries, without which the country would not have exceeded fifty-five millions of people. It now stands at sixty-six millions. Throughout all history the nations which have fought most have flourished most and grown most rapidly in population. No condition is so inimical to material and economic prosperity as long-continued peace. It is upon material prosperity, *i. e.*, abundant food production, that Malthus bases numerical increase. Before war can figure as a source of diminution of the earth's population, it must be shown that great wars are not attended and followed by great industrial benefits. It must be shown that they do not consolidate governments, crystallize the order of society, and promote stability of institutions and of credit. If they do, they tend toward increase and not decrease of numbers. They cause more births than deaths. This problem exhibits in its economic aspect the profound question which Emerson has paraphrased from the *Bagha vat Geeta* :

If the red slayer think he slays,
Or the red slain think it is slain,
They little know my devious ways
That come and go and come again.

Mr. Malthus seems not to have been conscious of the fallacy of measuring the capacity of the earth to increase in food production by experiential observations applicable to races and countries, and the capacity of man for the production of offspring by a mathematical formula applicable only to a man in the abstract. Darwin measured the theoretical capacity of a kind of sea slug called the white doris at six hundred thousand eggs in one spawn, and yet its actual capacity of maintenance of life was so small that

in all his researches he had seen only seven individuals. He says: "No fallacy is more common with naturalists than that the numbers of an individual species depend on its powers of propagation." M. Quatrefages found that two successive generations of a single plant louse would cover eight acres. It would certainly be as easy to overstock the earth with these vermin as with man, who tends toward sterility with every step of advance in wealth production.

Meanwhile the century which has followed Malthus has gone far toward proving that man's capacity for food production tends, through machinery, division of labor and exchange of product, to increase in a geometrical ratio much more nearly than his tendency to multiply his species. And so his "man-outrunning-his-means-of-subsistence" scare excites no more alarm than would be excited by a prediction that cubes would disappear for lack of a sufficiency of the six equal square sides with which to cover them.

Shouting Prosperity In?

The New York *Times* began, immediately upon the passage of the Gorman-Crisp tariff law, to take upon itself the task of restoring industrial prosperity by shouting, like a Nantucket town-crier, that a great business boom has just come to town. In its issue of Friday, August 31st, it opened its first column, first page, first line, with stunning headlines announcing, "Marked revival of trade—Thousands of southern and western buyers in the city—Great activity in all the wholesale districts—Dealers working their forces day and night—The hotels crowded with out-of-town merchants—Settlement of the tariff question quickly felt," etc. The reporter sent out with instructions to find this kind of news, repeated his utterances thus:

"Buyers from out of town have come to the city within the last few days by the thousands, and there is activity in all the wholesale districts.

The buyers from all over the country have come here during the past few days by the thousand. They have crowded the hotels where they usually stay while here to such an extent that all available room is exhausted, and the proprietors have had to resort to cots placed in reading rooms and out-of-the-way places about their hotels."

The reporter seeks to quote from responsible merchants some confirmation of his little boom. Mr. Constable, of Arnold, Constable & Co., says:

"Our retail customers are out of town at present to a great extent, and we have not felt it perceptibly in that department as yet. If there is no more legislation now we shall have better times."

Louis Stern, of Stern Brothers, the large retailers on West Twenty-third Street, said:

"It is a little too early yet for our trade to show much improvement, but I look forward to a good fall trade. People have economized so largely that they will be bound to buy, and then we will feel its effect."

There is a coolness about the view of the merchant that but ill responds to the trained enthusiasm of the *Times* reporter. Turning to the market experts, we find Matthew Marshall, of the *Sun*, saying on September 3d:

"The stock market last week failed to show the advance which was expected to follow the going into operation of the new tariff act, and in anticipation of which a rise had already begun a week before. On the contrary, the first day the new act took effect was marked by a downward movement, which, with fluctuations, has continued ever since, and from which there are no present indications of complete recovery."

Bradstreet's of September 8th, summing up the clearings for the month of August in New York City, says:

"At New York City alone, clearings for August aggregated \$1,871,609,349, a decrease of 4.4 per cent from August last year, and a decrease of over 26 per cent from August, 1892."

The same journal on September 15th says of receipts at the custom house:

"The receipts for the first ten days after the new law went into operation are not so heavy, however, as were those for the first ten days after the McKinley law went into operation."

Dun's Review of September 15th says:

"In some directions the postponed business has about spent itself, and less active trade results, while the net increase has been not much more than is usually seen in passing from August into September."

These citations suffice to show that there has been no

such business boom, among even American importers of foreign goods, as the *New York Times* is trying to work up. There have been suspensions of work on the part of 30,000 garment-makers in New York City, of whom 2,500 have resumed; also on the part of potters in Trenton and Baltimore, and jute works in Chelsea, Mass., without resumption; also on the part of 25,000 cotton operatives in Fall River, 14,000 in New Bedford, and some in New Hampshire, waiting for cessation in production to mend prices. The point, however, where prices are going up, under the working of the Gorman-Crisp law, seems to be abroad. The *London Foreign and Colonial Importer* says:

“It is true a certain number of lines made in this country are expected to receive a considerable fillip in consequence of the new tariff, notably tin plates, for which the States are our largest customers, and a number of other manufactures, and it is not surprising that as soon as the news reached this country of the passing of the bill *that prices for these special lines went up*. A strenuous effort will no doubt be made to put up prices all round, not only on the goods chiefly in demand by the States, but also in other lines, but we do not think that anything like a fancy value can be maintained very long. One reason which will tend to equalize prices more than anything else is the experience which English manufacturers have yet to acquire of the actual working of the Wilson tariff. Will the demand from the States fulfill the expectations of those who are already seeking to put up prices? On the whole, we do not think the new tariff will seriously inflate prices, and our readers who may have orders to place in this country will, of course, know how to approach those trades where it is sought to create an artificial value.”

The Gorman-Crisp tariff is evidently not creating as pronounced a boom in England as the Cleveland-Wilson-Mills bill would have done had it passed, but it is having a very positive effect in four ways: it is filling the English banks with gold, and making money plenty there and

cheap; it is backing the former stream of immigration to America, upon Great Britain, France, and Germany, compelling their cheap labor to stay there and become cheaper; it is indisposing foreign investors to hold any American securities, by creating the impression that earnings by American industrial corporations will be precarious, and hence promoting a more ready investment in British manufacturing, colonial and banking stocks, and finally it is extending British trade into by far the best and richest of the world's markets. Hence the "boom" to be looked for under the Gorman-Crisp bill is in Bradford, Sheffield and London, where money is plenty, prices rising, hope buoyant, and thousands of new men finding employment. It is simply against reason to expect a general revival of industry in the United States through a law which merely quickens the importing department of a few houses in Worth and Leonard Streets, nearly all of whom sell ten dollars' worth of American goods to one of foreign, and a large portion of whose ultimate customers find their means of buying paralyzed by loss of employment through this same law. Middle men in trade depend for their prosperity on the end men. The following dispatch from Omaha throws a side light on the condition of jobbers in New York by indicating how the end men in one industry are situated who are to be the buyers of their goods for consumption:

Omaha, Neb., Sept. 12 (Special).—The passage of the tariff law has created a stampede among sheep-owners to market all their sheep and raise no wool under the free-wool clause of the law. Every available freight car on the Union Pacific is now in service bringing the sheep from Idaho, Washington, Montana, Oregon and Wyoming to the packing houses here.

The Union Pacific was compelled to borrow a large number of cars from the Northwestern, and sent them to Idaho to be filled with sheep.

Similar conditions are liable to be reflected from Louisiana sugar plantations, from Onondaga, Michigan and Kansas salt works, from Ohio, Maryland and New Jersey potteries, from Boston, Pittsburg and Indiana glass works, from Lowell, Hallowell, Manchester, N. H., and Concord, N. H., hosiery factories, from New York,

Boston, Cincinnati and Chicago clothing manufactories, and the like. These involve too many of the ultimate customers even of the New York importers to admit of a business boom to the latter having its origin in disaster to the former.

The New York *Times* should send its reporters into a wider field than the importers' section of New York City if it wishes to work up a revival of industry. It should send them into the manufacturing districts of this same city without other instructions than to tell the truth. It may not, perhaps, need to be told that though New York City imports five-sixths of all the foreign goods consumed in the country, yet that its domestic trade is twenty times greater than its foreign trade, and that even its own manufactures made between the North and East Rivers, of which it gets the whole value in wages, amount to more than all the imported goods consumed in the whole country.

We have no desire to depress any conditions of real prosperity which the *Times* may discover. But its mission during thirty years of the greatest prosperity ever known in any country was to decry and deny that prosperity, as something impossible under the workings of a protective policy. Now that a loss of fully ten thousand millions of dollars has been inflicted on the country, simply to carry out the *Times*' economic vagaries, it is natural that it should desire to show that at least the importers are prosperous. But unfortunately they are not. Their business, during the eventful two years which have given promise of a successful raid on American industries, has shrunk enormously. They can only prosper in the degree that the American people generally can afford to buy. Our buying power is diminishing. Hence our importers have had two very sorry and profitless years. The *Times* knows this to be true. But it fancies it has an interest in keeping up the courage of its Democratic readers and in prolonging their disposition to vote for what it supposes to be the interest of its late English owners and present godfathers.

Tendencies of Trade Unions.

It is generally conceded that combination of capital is both legitimate and necessary to modern methods of industry; yet there is a reluctance, especially among the employing class, to recognize the same necessity on the part of labor. It is urged against trade unions that they destroy the freedom of laborers to make individual contracts, and hence are despotic.

If combination is injurious to the freedom of contract, why do capitalists combine? Are employers solicitous only about the freedom of laborers and indifferent to their own? Why is a loss of liberty that is so injurious to laborers, especially beneficial to capitalists? And if capitalists can gain by stacking together many surrendered individual liberties in order to become parts of a larger collective power, why cannot labor make the same gain? During the periods and in those localities where labor organizations have been most general and efficient, the laboring class, as a whole, has certainly grown in power and freedom. The traditional habit of opposing trade unions for the laborers' good was manifested during the early struggles of English laborers to secure common decencies of life. Particularly was the struggle to reduce the hours of labor for women and children in factories and coal mines from fourteen to ten hours per day, opposed for fifty years on this pretense.

For ten years Edward Atkinson pleaded before the Massachusetts legislature against the adoption of the ten-hour law in that State, on the ground that it destroyed the sacred right of workingwomen to make individual contracts. Just as if factory women and children, or men either, ever enjoyed this precious boon! Practically, no right of individual contract can exist under the factory system. It has been rendered impossible by the very nature of specialized and concentrated industry. The right of individual contract means nothing, unless it means

that every individual can make a contract for himself without regard to those of others.

Experience has shown that such contracts are incompatible with a highly complex productive system. The subdivision of labor and interdependence of the departments upon each other; the similarity of work and necessary uniformity of product in each department; the dependence of all upon a single motive power, make it necessary to treat all laborers in each branch substantially alike. To the modern employer, laborers constitute various parts of a vast productive enterprise, and must work in practical uniformity or not at all. This is true, not merely of laborers in a given shop, but of laborers in different shops in the same industry, whose products compete in the same markets. Thus, it is the economic conditions of production, and not labor combinations, that have destroyed the feasibility of individual contracts. It is beyond the power of either laborers or capitalists, or both combined, to institute individual contracts without abrogating the factory system, since both capital and labor necessarily move in large aggregations. It is manifestly as irrational as it is uneconomic for organized capital to object to the existence of organized labor, as individual contracts are impossible, and wages in the same industries, like prices of the same commodities, must needs be practically uniform.

It is clearly for the interest of laborers that their condition should be governed by the more intelligent of their class, and this organization alone can make possible.

Moreover, trade unions are educational institutions. They tend to develop the intelligence and character of the laborers in many ways. In the first place, they stimulate the study of industrial questions, which involves a considerable amount of reading and general information, and also an intelligent acquaintance with the industrial conditions of their craft. The discussion of the various propositions which arise for consideration tends to develop individual confidence, force of character, and consciousness of indus-

trial rights and social power in all who attend. In short, they are the economic academies of the wage class, and constitute nearly the only opportunity for economic education laborers have ever had. Consequently, intelligent trade unionists are frequently better informed upon industrial and political questions, and are less liable to lose their heads in a sentimental-whirl, than are the more educated and less experienced middle and college class.

Trade unions are also important social centers. In addition to furnishing laborers with the means of better knowledge of their economic conditions and more intelligent methods for improving them, they afford an opportunity for social intercourse, otherwise practically impossible. They are to the wage-workers what clubs and social institutions are to the wealthy. The social intercourse and activity thus created tends to awaken new interests, wants, and aspirations which are not limited to the character of the individual members, but gradually extend to their home life, thus gradually improving the social condition and the standard of living of the whole class. The pressure of the increased social needs thus silently developed, makes a demand for higher wages necessary. Those who first experience this kind of hardship, being the most intelligent and masterful of their class, are usually the first to advocate a general demand for higher wages. And since it is impossible, both from the nature of the factory system and the constitution of labor organizations, to make special terms for individual cases, the only way the most advanced laborers can secure an increase of wages for themselves is to obtain the same for their whole class. All this is not only educational and socializing in its influence, but, through welding the laborers into a social class, it compels the more intelligent and advanced to devote their efforts to improving the material and social condition of their less characterful brethren. That is why we always find the most intelligent, socially advanced, and best paid laborers in every industry to be the most

prominent trade unionists, and usually the most active social agitators.

It will not be disputed that strikes are often unwisely and badly managed, that dishonest men, or men otherwise conspicuously unfit for leadership, sometimes get at the head of labor organizations. But is this not true of every other form of social and industrial organization? Are capitalist organizations free from these charges? Do they not frequently act rashly, often involving the disaster of innocent investors? Cannot the same impeachment be urged with quite as much truth against political organizations? Witness the present industrial depression. Why should workingmen be expected to be more honest and wise than any other class in the community? Why should perfection be demanded of them when liability to err is conceded to everybody else? Since the other social institutions are to be judged by their virtues, should labor organizations be judged only by their mistakes? Considering their limited opportunities and the extent of forces arrayed against them, the wonder is, not that laborers have made so many mistakes, but rather that they have succeeded at all. These mistakes are not a necessary part of labor organization any more than dishonest ministers of the gospel are a necessary part of Christianity. They arise from ignorance and mistaken notions among the laborers, which trade unions tend to counteract. In those industries where trade unions are best organized and exercise the greatest influence, strikes are fewest, wages are highest, hours of labor are shortest, and the relation between workers and employers most confidential and harmonious. Trade unions, therefore, are not only legitimate, economic and social institutions, but they are an integral part of the industrial organization of modern society. With all their defects, they have ever been real benefactors, not merely to their own members and the wage class, but to society. It is to trade unions that we owe whatever economic sanity has prevailed in the labor

movement during the last fifty years. They have kept the industrial demands of the masses along the line of practical economic reforms, thus acting in harmony with the general treatment of modern industrial advance. This hard-headed steering of trade unions, fighting sometimes for shorter hours, at others for higher wages, then against unwholesome workshop conditions, and next against detrimental employment of children, or against officious bossism or the blacklisting of their members, has really saved society from socialism. By persistently forcing industrial reform they have prevented revolutions. Moreover, they have had to do all this with the almost united antagonism of the capitalistic classes, who have in the long run been most benefited by the really conservative action of the trade-union movement. If the capitalistic class in this country should ever be stupid enough to imitate the example of Pullman and Carnegie, and finally succeed in suppressing trade unions, they would simply accelerate the momentum of socialistic and anarchic movements against which the economic, conservative trade union is our real safeguard. As society advances and industrial problems become more complex, the sphere of trade unions becomes wider and its functions necessarily more educational. In the past it has been largely a fighting force because its right to exist was denied and a semi-militancy was necessary to maintain its position. This militancy is sure to continue so long as capitalistic warfare is made upon trade unions as an organization. The chief opportunity and importance of trade unions in the future, however, is in the direction of economic and social education. If labor leaders really recognize this, a new and important field of usefulness will be opened to labor organizations. They may, and will, become economic schools for the wage classes. Their leaders will be experts in theoretic as well as in practical economic affairs, and trade unions will really become preparatory schools for industrial statesmanship among the masses. To this end a specific

part of the work of trade unions should be the systematic study of economic questions in the light of industrial history and present social conditions. This should be made an inseparable feature of labor organizations, and a part of the funds should be specially set aside for the maintenance of instructors, who could be chosen from their own ranks or from outsiders, as the case might be.

Besides promoting industrial harmony by removing economic ignorance, this would elevate the tone of citizenship. Workingmen would soon be proof against the platitudes of politicians and the empty eloquence of mere sentimentalists by elevating politics to the plane of serious, intelligent discussion. This would do much to make the occupation of mere political croakers, ward heelers and socialist dreamers unprofitable. Whether trade unions shall be permitted to thus broaden their usefulness by doing a work which no other institution can perform, will largely depend upon the attitude of the press and the general public toward them. If the employing classes of America, supported by the press and the large political organizations, continue to antagonize trade unions, they will simply intensify the growing tendency among workingmen toward socialism; and to the extent that they succeed in breaking the power of trade unions will they force on the conditions of social revolution.

Contributed.

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The Future of Economic Education.

PRESIDENT CHARLES DE GARMO OF SWARTHMORE COLLEGE.

Nothing is older than hostility to new ideas. Whenever in important aspects of life they have tended to dominate large numbers of men, their christening has not unfrequently been a baptism of blood. This has been the history of religious and governmental changes. It would seem that the new commandment, "That ye love one another," has obtained its present validity through much hate, and that each new important advance in human liberty has been purchased by war's devastations. Every significant proposition to abandon the beaten path of the fathers, in whatever realm of thought, is sharply challenged by many people, both as to purpose and method. Not only is this true in church and state, but it is equally true in education, which is at once a cause and a result of both.

To a large extent educational ideas arise from the conditions under which men worship their Creator, provide their food, and secure their civil liberty. But these conditions constantly change, sometimes rapidly, sometimes slowly, whereas our ideas of education are periodic, rather than constant, in their corresponding advance. Our imaginations become completely adjusted to one set of conditions, so that we find it difficult if not impossible to readjust them to a new order of things. How slowly and reluctantly, for instance, we reconstruct our religious imaginations to meet the truth revealed by the new astronomy, the science of geology, and the demonstrated portions

of the theory of evolution! For 1350 years the development of the Christian religion had been side by side with the Ptolemaic theory of astronomy, in which the earth was the stationary center around which revolved sun, planets and stars. What more natural than that heaven should be above, and hell below. But if the sun is to be the center, the image constructed by the imagination is distorted, if not destroyed. Our youthful minds become adjusted to the literal Mosaic account of creation, but the picture is blurred by the science of geology as we know it to-day. Our early conceptions of primeval life come into conflict with the idea of an orderly evolution. Slowly, reluctantly, and sometimes only in our children, do we revise these old constructions of an active imagination to make them conform to demonstrated laws.

One-sided ideals are more to be expected in education than in government and religion, for the antithesis between inherited educational conceptions and the new conditions under which men must work are not so sharply accented here as elsewhere. Men have ample freedom to follow their own notions in the higher education of their children, so that they are not forced to reconstruct their educational faith to the extent that they are their faith in civil and church affairs. For this reason it often comes to pass that those who should be the leaders of educational thought, leave the direction of it to practical men of the world, whose lives are in close touch with the economic activities of life and whose minds are not arrested by ideals that are the products of an older state of civilization.

Plato and Aristotle sought to get to the heart of the material world, to find the stuff of which things are made and the primal forces that produce them. Building upon the foundations laid by Aristotle, Thomas Aquinas and Duns Scotus sought to demonstrate to the understanding the truths of revelation, that is, to rationalize the Christian creed. Descartes and Kant have changed the basis, and instead of founding philosophy upon the lowly earth, or

suspending it from the vaulted sky, they rest it upon the fundamental truths of human consciousness. The standpoint of philosophy has thus shifted from material to miracle and from miracle to mind, each stage summing up and including all that had gone before. Closely analogous to this movement has been that of education. The oldest yet perhaps the most common ideal of higher education to-day, is that liberal training of the mind consists chiefly of ancient languages and mathematics. The entrance requirements of our colleges are mostly adjusted to this idea.

Vast indeed is the debt that civilization owes to these incomparable instruments of education. Once they alone were wholly adequate to the educational needs of the world, now they are only partially so, being representative rather than sole constituent elements. We must not forget that since the days when the classics obtained their ascendancy the world has become democratic, that higher education from being the privilege of a small class has become a necessity for the leaders of all classes. We must not ignore the fact that at that time the mother tongue of most countries was the vehicle of little or no learning. It was near the middle of the last century before Wolff first taught philosophy to speak German. Previous to that time Latin was the almost universal language for learned works. The rise and growth of science is almost within the memory of men now living, while the wonderful development of industrial enterprise, with its concentration of capital and organization of labor, with its few masters and many men, its strikes, its lock-outs and bloody conflicts, its booms and its depressions, is confined almost to the present century. In short, the classics as chief implements of education took their rise when they were the only receptacles of knowledge, when no natural science existed, when industry was undeveloped; when education was the prerogative of priests and *litterati*, and when the surging masses had not yet risen to assert

for themselves the rights of man. Under these circumstances it is not strange that the imagination of the scholar should have constructed a picture of classical education so enduring that its colors are still bright.

Mathematics gained its pre-eminence in our curriculum partly through the brilliant results obtained by Newton and his contemporaries, and partly through its perfection as an instrument for training the mind. To it chiefly we owe our modern scientific development. The latter half of our own century has seen the rise and perfection of the natural sciences as instruments of education. Taught at first by literary methods, they made but little impression, but during the last twenty-five years they have developed a method of their own—that of inductive research and verification in the laboratory. So vast have been the conquests of science in our own times that a large part of our educators have reconstructed their educational ideal, yielding to science an honored place side by side with the older linguistic branches.

The second grand movement in the history of education since the Renaissance has now taken place. The first represents the supremacy of the humanities in the form of ancient languages and pure mathematics; the second the admission of the natural sciences and applied mathematics as co-ordinate branches. These two elements, the humanities and the sciences, in one form or another are permanent, and to be reckoned with in every comprehensive scheme of higher education. Every intelligent movement toward sound economic education tends to bring in a third and grander period, which shall be in itself the synthesis and final culmination of the other two.

Man with only an introspective knowledge of himself is what the mediæval monks thought him—a citizen of heaven wretchedly stranded upon this desert island in the sea of eternity. This means for the learned, alternating ecstasy and despair, and for the masses ignorance, poverty, disease, together with their attendant forms of wretched-

ness. Universal education, high standard of living and at the same time dense population are not to be thought of under such conditions. In modern education the humanities must always be something, but never again everything.

On the other hand, man can never know so much of nature that he needs to know nothing of himself. In a broad sense Pope's dictum, "The proper study of mankind is man," is still true. Not man simply as an introspective being, or man as smothered in the dust of science, but man as an economic being whose spiritual ends are realized through the means that science puts at his command. The classics were the beginning of modern education, natural science has been the contribution of recent times. Both of these blended and focused on life are to form a new era in education, that which in a broad and liberal sense may be called the economic. This term may easily be misconstrued to mean a narrow utilitarianism, a restricted physical aptitude and skill obtained by the perpetual iteration of mindless exercises. Such a conception of the function of education is unworthy of the times in which we live.

The economic culmination of the humanistic and the scientific sides of our training, broadly considered, means the conscious direction of thought-power and knowledge to the ends they are designed to accomplish.

To see how this is possible, it is necessary to point out an illusion, generated by the old classical education. Many teachers have long thought and still think that a liberal education consists not in mastering knowledge, but in developing power through the medium of classical grammar and pure mathematics, the idea being that if we can once develop the power it may be applied, like a mechanical force, to any desired end; it is as if our children should first develop masticating power by chewing india rubber, in order later to eat beefsteak! Reflection will show that this supposed formal discipline of the mind

by two kinds of study is largely mythical, but that if properly directed they are rather rich and concrete as far as they go, being, however, restricted in range. What is gained by this grammatical drill? A keen, discriminating knowledge of the laws of thinking, and the power to distinguish the most subtle phases of thought. Every page of the text abounds in concrete illustrations of the things the classicist is trying to learn. Any sentence may illustrate the use of the dative case, or the intricacies of the subjunctive mode, and this process of illustration and verification of the laws of language goes on day after day, month after month, year after year. Were natural science half so persistent in the discovery and exemplification of her laws, she would have new triumphs to boast. Latin and Greek may be concrete and practical. Their seeming formality is due to their psychological character. That alone is formal and abstract which is divorced from the purpose it should serve. The same richness and concreteness is found in pure mathematics, thousands of problems being solved to exemplify a few rules. This explains to us the admirable results of classical training for those whose future callings are largely introspective in character, such as the preacher, the teacher, the lawyer, the statesman and even the physician. On the other hand, the psychological or subjective outcome of such an education explains the instinctive hostility that practical men of the world have long manifested for this type of training. Instead of the old maxim, "discipline first and knowledge afterward," we must adopt a truer watchword, "discipline through knowledge." The chief defect of the old education is not that it is good for no practical purpose, but that it is a partial and one-sided preparation for so many callings in in life. For the professional man or woman it may be economic in the true sense, since it has direct bearing on future occupations; for all but the learned professions, however, it may be subjective and esoteric; it may leave the mind steeped in the antiquated conceptions of

bygone ages, which taken as stages in a progress would be valuable, but which as a substitute for the ruling ideas of to-day bear the same relation to developed truth that the child does to the man. In the words of the German Emperor, this age needs young Germans, young Englishmen, young Americans, not young Greeks and Romans.

The truth is, as has been intimated, the old education was for a small class to whom a concrete introspective training was the best preparation for life. But our problem is the education of all classes. The introduction of the natural sciences has immensely broadened the scope of the usefulness of modern education. But the conception is a new one that not only can science minister to the wants of a new class of our population, but that by the proper adjustment of subject matter and the employment of right methods of teaching, all minds can be trained and at the same time prepared for the best possible success in their several callings. The powers we have can be best trained through the knowledge we most need; as in the binocular microscope, trained mind and acquired knowledge are focused in the practical activities of every calling in life. Is drawing less educative when applied to the plans for a mighty temple than when sketching the bust of a Pallas Athene to adorn one of its temples? Is botany less noble when discovering the laws of plant organization and investigating the conditions of healthy growth, than when it leads the youth of our land into field and forest in order to gather and name the flowers? Are not chemistry and physics quite as interesting, instructive and educative when developed to the point of their economic application, as they are when arrested at their abstract stages out of all felt relation to ultimate ends?

In addition to the old narrow curriculum of classics and pure mathematics, we have on the humanistic side the English language and literature, modern foreign languages, modern history, together with the study of the rise and development of constitutional government and other

democratic institutions. On the side of science we have the marvelous development of pure and applied mathematics, of chemistry and physics, besides the modern biological sciences, whose principle of evolution has given new life to every great interest of the human mind. Besides these two lines of study, enriched and fertilized as they are by application to practical ends, we have another large group of studies applicable to the economic activities in the narrower sense. They are such branches as manual training, industrial art, industrial drawing, civil, mechanical and electrical engineering, and the still greater subjects of finance and administration, together with economics, or the study of the laws that govern the production, distribution and consumption of wealth.

I have said that the human element, represented still in large measure by the classic languages, is an indispensable element in any comprehensive modern education. One of the prominent results of the old studies is the appreciation of the beautiful generated in the soul. Beauty, if not the religion of the Greek, was its invariable attendant—beauty, not as an adorer and sweetener of life, but beauty as an end. Thus, in the words of Emerson,

"Tell them, dear, if eyes were made for seeing,
Then beauty is its own excuse for being."

Not only is toil sustained by the hope of ultimate reward, but is sweetened and illumined throughout its course by exquisite ideals. Beauty, therefore, from being an idol before which we may bow, becomes a cheering spirit whose wand transforms drudgery into pleasing labor. Why should not every workman become an artist? A dinner table with only potatoes and bread for food and water for drink may still be the center of pleasant intercourse. It need not be a stall for feeding. The coarsest material can be made into becoming garments, humble homes may enjoy the gladness of beauty. All this is obtained, not through the elimination of art as such, but

by an application of it to common things. Knowledge, thought-power, artistic taste, are no longer isolated and held aloof from daily living, but are blended, harmonized and utilized to make life more worth living.

What have we to expect from the new spirit that is animating the educational world? Everything that education can contribute to the progress of civilization. Once the world was in the hands of the monks. We know their ideals and their deeds. For a hundred years it has been in the hands of the scientists. We know what they have done. They have made it possible for many more people to live much better; but at the same time they have also made it possible for a few men with large brains and great capital so to dominate the masses that though in some cases prosperity and high standards of living may be within the reach of the masses, yet under adverse circumstances the most wholesale misery may result. The future, therefore, belongs neither to the mere humanist nor to the mere scientist, but to both combined in the economist. The mental effort once lavished on the logic of the schoolmen must in the future be set to work in solving the problems of life, which are now economic, as they were once æsthetic and then religious.

At the beginning of western civilization, under favorable climatic conditions, and with the minority able to enslave the majority, it was not unfitting that art should become the supreme end for which the educational forces of the time were organized. This stage of society may fitly be symbolized by the Apollo Belvidere, the classic repose of whose well-rounded form suggests nothing of the modern spirit. The symmetrical limbs are made, not for work, but for entrancing the eye. The classic features betoken no inward struggles, no resolution to overcome difficulties; they indicate rather a being made for sensuous enjoyment, not for thinking or volition.

During the great middle period of our civilization, when men were busied with revelation and subjective

analysis, educational agencies were directed to these ends. The symbol of these times is the Madonna. Her upward straining eyes proclaim the renunciation of earth, the aspiration for heaven. Sense and will are dissolved in religious sentiment. The antique brings the god to earth; the mediæval translates the mortal to the skies, but the modern man uses his godlike powers to realize the heaven within himself. His symbol is Michael Angelo's statue of Moses, the man who works out the destiny of his race upon earth by means of his heaven-lent powers. On his lofty brow there is written both thought and resolution. His rugged yet beautiful form, his starting tendons and swelling muscles betoken the man of action. His is the modern spirit that focuses thought and sense and sentiment upon the vital problems encountered in realizing the will of God upon earth. It is to these ends that our modern education must be seriously organized. Unless the thinking forces of this country are turned from the subordinated ideals of the past to the vital ones of the present, hunger and economic servitude will cause the masses to change evolution into revolution, as they have done before, when those who should have been their leaders became their masters.

Every institution which is striving to lead the way toward this new ideal in education is worthy of our best efforts to promote her progress.

We shall as in the past need the poet to solace the soul, the artist to delight the eye, but most of all shall need to have all the power of learning and the charm of beauty applied to the elevation of man. Like the whirling dynamos propelled by the hitherto unused power of Niagara, which loses no beauty in being useful, such an institution generates a life current which tends in the fullness of time to warm and move and light the world.

Natural Limit of the Working Day.

WILLIAM W. BATES.

With a labor experience of fifty-five years, as apprentice, journeyman and employer of hundreds of mechanics and laborers, the writer thinks he is qualified to say a word as to the limit of the working day. Forty-seven years ago he first addressed the public through the press on the subject named. At that time he was a shipwright by day and a student of physiology and anatomy nights and Sundays. He contributed to the *Sentinel*, of Eastport, Me., several articles in advocacy of the "ten-hour system," then up for adoption by the legislature of Maine, basing his arguments on facts of science and experience, and insisting there was a *natural* limit for the working day. It was shown that physiological law limited the power of workers to exert themselves. The strongest men might labor sixteen hours a day; strong men might work twelve; but ten was enough for average mechanics; while the weaker and the immature would find eight hours all the time their bodies could bear. It was also shown that full activity at labor, owing to long hours, was not the rule. Workers contrived to ease up in quickness; to make their strength hold out from morning till night, day after day. Relaxation and lagging had to be cultivated under the "sun to sun" system. Naturally good men were made indifferent workers just in proportion to their lack of strength, or became broken-down laggards. In the third place it was boldly asserted that a gang of good workmen could do as much in ten hours of activity as was commonly done in twelve, fourteen and even sixteen-hour days, month after month, year in and year out.

The workmen generally assented to the truth of the arguments advanced, and but few employers maintained the contrary. As soon as the writer became an employer he adopted the ten-hour system. In the course of his experience years afterward there was a strike for "eight hours," which he granted on condition that about the same amount of work should be turned off. His competitors in

trade resisted the strike and locked up. Ample experience proved that jobs could be taken for former prices if judgment was used in giving employment only to active workers.

It is the writer's observation that the combination of nerve with muscle necessary for American mechanics and drivers of machinery cannot be obtained under the long-day system. While we may get strength, we will fail to command activity. The development of nerve and brain in workmen, with moderate strength, is more desirable in most employments than strength with dullness. Long hours and dullness belong together. Short hours, activity, brightness, ingenuity and manliness are greatly to be preferred. In short, there is no real gain to working power in men by overtasking their bodies and brains. It is not the body that works, but the body and mind. To overtask the body weakens the mind, and it was an observation of Solomon that a dull tool needs more strength. Farmers are no exception to the laws of physiology. Shorter hours and brighter minds will make the more money. Ten on the farm and eight in the shop are better than more for most men. There are trades where six are better than eight. In all cases consult nature and her economy.

The Three Main Facts About Sugar.

Naked and ugly, the main facts about the sugar schedule are these:

The administration proposed it. The Secretary of the Treasury framed it. He asked a little more for the Trust than the Trust finally obtained. Then Mr. Carlisle announced the new sugar schedule to the country as one of the concessions necessary to be made in order to pass any sort of a tariff bill.—*New York Sun*.

Editorial Crucible.

AS IF WE have not had enough of disaster from tariff disturbance, the authors of the Wilson bill declare their determination to continue the warfare until not a vestige of our protective system is left. This war-cry has already gone forth from Senator Harris of Tennessee, Frank Hurd, and several Democratic conventions. Of course, these fanatics expect to make the American people believe that the Wilson bill had nothing to do with the industrial depression. If they succeed in this they will only demonstrate how completely the masses can be humbugged upon the most important questions affecting their daily lives.

SIMULTANEOUSLY with the statement that the American Sugar Refining Co. (Trust) expects to increase its product of refined to 88 pounds of refined out of 100 pounds of raw (instead of 87 pounds as heretofore) comes the statement that refined sugars are off one-eighth of a cent. The increase in the product would give the company, if the price could be maintained, an increase in revenue of \$8,000 a day. The decline in price may be due to the fact that the incoming crop is estimated to be 5,100,000 tons, which is an increase of 1,300,000 tons over the last crop. Such an enormous increase of product points to a time when sugar will sell in the near future at one cent a pound and be found a cheaper food for horses than oats at forty cents a bushel.

THOSE JOURNALS which have undertaken the task of "shouting prosperity in" appear to have very little more regard for accuracy of statement than they had when engaged in howling prosperity out after the passage of the McKinley bill. One among the numerous instances of misrepresentation is "that a Canadian woollen mill employing two thousand men is about to remove into the United States, through the improved opportunities afforded by the

Gorman tariff law." Like many other of these instances, this turns out upon investigation to be all a myth. The *American Wool and Cotton Reporter* (a free-trade paper) informs us that there is not in all Canada a woolen mill employing two thousand hands, and that no woolen mills of any size have indicated their intention of crossing the line into the United States. The only foundation that there appears to have been for this boastful announcement is that a firm by the name of the "Massey Manufacturing Company," which manufactures agricultural implements, is thinking of removing to America, and that there is in Canada a small woolen mill of that name, but it has no idea of coming hither.

THE PEOPLE of Henry Clay's Ashland district in Kentucky have doubtless made the best of a bad state of things in defeating the empty-headed oratorical blatherskite, W. C. P. Breckinridge, on the very low ground that his hypocrisy and moral indecency had made him a social leper and a common nuisance. But it is really a burning disgrace to the people of the district themselves that their own economic education had reached so low a plane as to render the election of this same Breckinridge at any time possible, even if his private life had been free from any taint of vulgar licentiousness, veneered over by a thick coat of Chadband effrontery and Pecksniffian pretense. His intellectual defects covered every vacuity of knowledge the brain of man is capable of harboring concerning the best interests of his country. He was the inversion and the opposite of a statesman on every point of faith and creed. He was not in sympathy with a single social force that tended to advance industry, diversify the field of labor, enlarge the freedom of man or increase the power of association among men. The influence of his life was retrograde intellectually and politically, even if it had been entirely moral. The Ashland district should have looked higher from the start.

THIRTY-EIGHT thousand Republican majority in Maine is simply an expression of deep disgust, a stomach note of unutterable scorn, for Clevelandism. Perhaps if the Cleveland-Wilson bill had itself passed, the disgust might have been deeper, or some proposition might have been put through to make the vote of Maine unanimous. But the majority broke the record of Maine for all time. Even in those nearly forgotten days when, according to one of the poets of the period,

Maine went
Hell bent
For Governor Kent,

the majority was but a feeble ripple compared with the late "robustious" wave. Some of our readers have met Maine Democrats and know how immovable and hard-headed they are. Yet hardly had the campaign opened when Democratic wheel-horses of the most intractable obstinacy, one of whom had been a Cleveland nominator, came galloping into the Republican camp. And now that from Louisiana comes the same note of deep disgust with Clevelandism, the indications are that geographical extremes will for once meet in the achievement of a common purpose.

A CONVENTION of five to eight hundred sugar planters of Louisiana, every man of whom had been a lifelong Democrat, declares itself, with only three or four dissenting votes, shortly and decisively converted to the Republican party and ready to work with all other Republicans in behalf of protection to every American industry whose product comes into competition with those of other countries. We can imagine this body of Southern representative sugar planters, for we have had opportunities of coming into the presence of considerable numbers of the sugar planters and we know what manner of men they are. They would be the peers in personnel, dignity and ability of any similar number of New York bankers, Chicago railway or board of trade magnates, Rocky Mountain bonanza farmers

or New England or Pennsylvania manufacturers. Depend upon it, they carry with them the state of Louisiana. The voters of that State will not stand aloof from a fight in which Louisiana's leading industries are struggling for the legal right to exist. This fact alone, if events should go no further, would break the solid front of the South. Without a solid South to work for, no candidate would ever unfurl the banner of free importations of competing goods. But behind Louisiana are forces adequate to place four other States in the same column—Florida, South Carolina, Mississippi and Georgia.

MR. CLEVELAND has evidently run his course, and is doomed to pass into contemptuous oblivion the first time he comes into contact with the machinery of political annihilation. He has succeeded in creating a financial panic and a protracted period of industrial disaster, and has disappointed everybody in his treatment of the situation. With the exception of a small coterie of beneficiaries, he has exhausted the confidence both of his party and the country. No mantle of Gallatin, Madison or Hamilton has fallen upon him. Years of fame, won in objecting shrivel to failure in an hour of action. Like Andrew Jackson, he is both obstinate and isolated. Each grew in public life by swapping off the old friends, whom he had not pleased, for the many new ones whom he had not yet disappointed. By the time Cleveland had captured New York, he had no home or following in Buffalo; by the time he had captured the solid South, he had no following left in New York. A skillful scoundrel like Merribo might play at this game for a while—even an accomplished hypocrite might prolong the contest, but, being only a dull egotist, Mr. Cleveland soon exhausted his resources. If sawdust will not do, he has no other stuffing, and the bye elections of 1893-1894, beginning with 87,000 majority in Ohio, and ending with 38,000 majority in Maine, show that everybody has discovered that fact.

DR. PARKHURST scores a sound point on Superintendent Byrnes when he says, "If we want a chief of police to philosophize" (on whether enforcing the laws against vice will have a good effect) "we will hire a philosopher. If we want a chief of police to preach" (on the duty of charity to the erring) "we will hire a preacher; but it makes every drop of my blood boil to hear this chief of a system of damnably corrupt bargaining between officials and vice, defend its rottenness in the name of either charity or philosophy. What has he to do with either? He is paid to execute."

The Parkhurst idea is taking hold of the churches in New York City in a manner to give them new power. His meeting in the Eighteenth Street Methodist Church on a Thursday evening packed the church, the street in front, and the vestry room, like one of the old Moody and Sankey gatherings. Where this can be done in one church the others will soon follow. The City Vigilance League is organizing politically, with local committees in each assembly district and election district, after the form of the Tammany General Committee and Republican county committees. The word is getting around among the women of all sects and conditions, "the women beat Breckinridge and the women can beat Tammany." The movement develops the elements of a powerful local campaign. Property holders in the affected districts rally to it as they would to remove a mortgage on their property. We would not be surprised to see the Parkhurst movement sweep the city like an old-fashioned revival or a western cyclone.

ONE OF THE most hopeful signs of the labor movement in this country is the recent strike of the garment makers of New York City. The strikers were composed chiefly of Polish Jews. They lived and worked under conditions and for wages which were a disgrace to the community. The encouraging fact in the situation is that, notwithstanding the industrial depression, with its thousands of

unemployed clamoring for work, these operatives went on strike for higher wages and shorter hours. They not only succeeded in obtaining their demands, but, as is now generally conceded, they broke the back of the sweating system. These operatives have made several feeble attempts at striking before, and because they did not succeed they were lectured by the newspapers on the futility and wastefulness of strikes; but, now that they have succeeded, every paper is praising them for their courage and good judgment in striking against the iniquitous sweating system. The truth is that their success this time is but the culmination of their previous efforts, and it will more than repay them financially, as well as socially and morally, for all that it has cost. In breaking down the sweating system, they have not only permanently improved their own condition and that of their comrades forever, but they have contributed a real improvement to the industrial life of New York City; and what is more to the point, this system could not have been abolished by any other means. Whenever legislation to suppress the sweating system has been suggested it has been met on every side by the cry of "paternalism." It probably could never have been legislated out of existence. Nothing could accomplish the reform of ridding the community of this industrial pest but a united strike against it by the operatives themselves. The strikers are to be congratulated on their efforts, and every citizen of New York is indebted to the Jewish garment makers for having the moral courage and economic sense to strike.

Gov. McKINLEY was in error when he said in one of his speeches in Maine that the Gorman-Crisp tariff law had not led to the introduction of a single new industry from foreign countries into the United States, nor to the employment of a single additional laborer, whose consumption would increase the market for American products. In the anxiety of the tariff reformers to tax

"luxuries," they took uncut diamonds from the free list and imposed on them a duty of ten per cent, and raised the duty on cut diamonds from ten and fifteen to twenty and twenty-five per cent. The probability of this action became known in Europe several months before the actual passage of the act, and a syndicate of German, French and Belgian diamond cutters made their arrangements then to transfer their diamond works to America in order to get under the protective operation of the Gorman-Crisp bill. Hence, no sooner was the act passed than it was discovered that a brand new diamond-cutting establishment, bringing with it upward of seventy hands and about \$1,500,000 worth of uncut diamonds, had moved from its European habitat into Brooklyn, not very far from Talmage's tabernacle.

The most instructive fact connected with this importation of a diamond factory from Europe is that the authors of the law had not the least intention when they were passing the bill to do anything unconstitutional or useful. They had no idea they were going to make two diamonds gleam where only one gleamed before. It was furthest from their thought to stimulate into being a new American industry, and hardly ten men in all the Democratic majority but would have permitted some discreet but muscular Englishman to kick them free of damages if they could have foreseen that "taxing diamonds" would make diamond factories grow. Sacred shade of Richard Cobden! Is there a solitary free-trader living who has not sneered a sneer worth half a dollar in silver at the extreme absurdity of making things grow by taxing them! And after all this, to see Voorhees, Crisp, Cleveland, Wilson and all the little free-trade pugs actually voting protection to a new American industry without knowing it, and that to one whose product is a luxury—shade of Cobden! go back!

DOCTOR LYMAN ABBOTT appears to be in a very pessimistic mood regarding the "moral effects of protection."

In a very doleful article he says, "The question is pressing itself home upon many who have hitherto been protectionists, whether any economic advantage can compensate for the moral disadvantages of such a system. They are beginning to ask themselves, is it not better to be poorer and more honest." He then enumerates all the immoralities known to politics, as if they were all due to protection, and says "no possible development of national industries, no possible increase of national wealth, no larger wages to workingmen, no large dividends to capitalists, can compensate for such a corruption of personal and public morals."

Surely the Doctor's digestion must be failing. We refuse to attribute to his head, which is usually so level, this pessimistic raving. Now, who "are beginning to ask themselves, is it not better to be poorer and more honest"? Does Doctor Abbott think ministers would be more moral and intelligent if their salaries were reduced? Does he know of any class in this country or any country in the world whose morality would be improved by increasing their poverty? Perish the thought. The suggestion is a crime against morality itself. If there were any truth in such a notion, we ought to have had the millenium long ago, for there is poverty enough in the world to have made all the human race angels. Oh, no, Doctor Abbot, people cannot be made more honest by being made poorer. Wealth, culture and social opportunities are the only real fertilizers of ethical character.

If protection develops national industries, increases national wealth, gives larger wages and larger dividends, it would more than compensate many times over for the immorality of the United States Senate, or the immoralities of our entire political system, even if they were all due to protection, because the higher wages and larger national development is the sure road to the elimination of these corruptions. They are the very conditions which make high social life and personal morality inevitable, and

consequently, corrupt legislatures ultimately impossible. A willingness to reduce the nation to poverty in order to increase its honesty implies an inverted conception of the elementary principle of evolutionary sociology. Give us national prosperity and high wages, and nothing can prevent ethical advance. The enforced idleness of the last two years, brought about by the so-called moral antagonism to protection, is probably the cause of more immorality, through the creation of a large class of permanent beggars, tramps and criminals, than has resulted from protection during our whole history.

THE WAR of the Japanese against the Chinese in Korea is proceeding without any clear exposition from either side of what either party in fighting for—except to whip the other. It is a test of the question whether Japan's recent method of taking on European civilization by short cuts, and, as it were, on the half shell, is a success in real life. If it is, then the war is likely to prove a supplanter of Mongolian, and an introducer of Caucasian civilization, throughout Eastern Asia. Such victories as that of the Japanese in the considerable engagement at Ping Yan will be interpreted as triumphs of European over Asiatic methods. Fully half as many men were killed and captured by the Japanese victors as were placed *hors du combat* by Gen. Grant in the first decisive fight of our war at Fort Donalson. Battles involving very much larger numbers may follow, but probably none which will furnish a more correct index to the relative merits of Chinese and Japanese methods. The Chinese army is in its organization little more than a municipal police, extemporized into an army. In each province the army does the police work. When it was being forwarded to Korea, the comment was made that large portions of it were armed only with bows and arrows. The Japanese are of identical stock with the pure Chinese as they were prior to the Tartar invasions and Mongol ascendancy. If,

therefore, the Japanese shall push their success to the uttermost, it will greatly weaken the faith of the Chinese in their Mongol rulers. Of the two races it is the original Chinese which supply the manual dexterity, industrial diligence and hand-labor skill which have constituted Chinese agriculture and manufactures into an old and nearly stationary but highly expert cult, which marks everything done by the Chinese and Japanese with its easily recognizable qualities. Toward all this their Mongol rulers have contributed only a rude form of Tartar or Slavic energy which overlays the ingenious industry of the people with a less cultured deposit of conquering ruthlessness, somewhat like that by which the cultivated civilization of Byzantium fell under the merely brutal domination of the Turks. In the present contest, the advances toward European and American civilization which have so rapidly been taken on by that portion of the original Chinese race which in Japan has remained exempt from Mongol rule, will bring the pure Chinese to the front as the superiors of their Tartar conquerors. Hence there will be in the Chinese race an element of sympathy with this demonstration of the superiority of their Japanese kinsmen over their desert-bred rulers of a few centuries past, which may develop the most dangerous consequences to the reigning Chinese dynasty. The descendants of the old Chinese rulers of the pure blood are known, and have for generations been under the surveillance of the reigning house. Anything like an overwhelming catastrophe to the Mongol power at Peking will in any event greatly increase the very moderate respect felt for European ideas in both empires.

Cream of the Magazines.

Under this head we only call attention to the articles, in the current magazines, on social and economic questions, giving the point of view or method of treatment and other items that will serve as a guide for readers and students.

BANKING—*Mortgage Banking in Russia*, by D. M. Fredericksen, in *Annals of the American Academy* for September. The system of loaning bank deposits (as well as bank capital) on land in Russia seems to result in a very great sum (5,647,740,000 roubles) being loaned on land at the low rate of 5 per cent, seldom exceeding $5\frac{1}{2}$, and for terms often of from thirty-four to thirty-seven years, foreclosable after two months of default in paying interest. How the depositors are secured, and whether their demands are payable, as in western banks, on demand, is not clear. They seem, however, to receive bonds of the mortgage bank for their loans, redeemable at the end of long periods corresponding essentially to the loans.

BIMETALLISM—*Declaration of the Bimetallist Members of the German Silver Commission*, by Drs. Arendt, Von Kardoff-Wabnitz, Leuschner, Von Schalska and Wülfing, translated by E. Benjamin Andrews, in *The Review of Reviews* for September. This document embodies in compact form the best that can be said in favor of trying to arrive at the universal free coinage of silver at fifteen and a half to one by international agreement. It makes the important assertion that "counterfeit full legal tender silver coins may be circulated indistinguishable from those struck at public mints, a process, at the present low gold price of silver, affording counterfeiters enormous profits. It is known that vast counterfeit issues are in circulation in other countries."

How can this be known if the counterfeit issues and the government issues are indistinguishable. If this assertion be true, it would seem that "private enterprise" would soon put all countries on the silver basis.

This document also assumes that the failure to admit silver to free coinage is what causes prices to fall, notwithstanding it is officially reported by our Director of the Mint that the world has coined some \$1,300,000,000 in silver within fifteen years, and hence that the volume of coined silver has undergone actual and enormous inflation during the period in which silver coinage has been restricted to governments and to silver-basis countries. Hence no economic basis exists for attributing falling prices to silver. Silver having been excessively coined, prices ought to have been rising for fifteen years past.

Moreover, if all nations could, by compact and free coinage, lift silver to par, then one leading nation like France, Germany or the United States would profit more by undertaking the job alone. For if coining all that is brought will raise silver to par when done by ten nations, it will have the same effect when done by one. But if it is like pumping out the sea, then ten can get no nearer than one to the desired result.

CITY GOVERNMENT.—*New York City and the State*, by A. C. Bernheim, in *Political Science Quarterly* for September. Mr. Bernheim applies the term "interference" to legislation by the state of New York relative to the city of New York, very much as Gov. Flower recently vetoed the appropriation by the legislature for paying the expenses of the Lexow investigation as an unwarrantable "interference" by the State with the affairs of the city. There is no principle upon which New York City can be held less entitled to the services of the State government than Esopus or Scarsdale. The writer also errs (p. 389) in saying, concerning the threatened conflict between the Fernando Wood police and the metropolitan police in 1853-4, "the result was a bloody conflict between the two factions." Such a conflict was threatened, but was avoided by being converted into a lawsuit. The writer believes in separating the city government from State and national politics, but believes the governor, either with the legislature or

the courts, should have the power to remove the city's officials. He does not, however, favor the proposed amendment of the constitution permitting the city to veto any legislative act relating to city matters passed by the State legislature.

CRIME.—*Camorra, Maffia, and Brigandage*, by S. Merlino (Naples, Italy), in *Political Science Quarterly* for September. This is in a sociological point of view the most interesting and valuable article which has appeared in any of our periodicals for many a day. It shows how, in the absence of a strongly developed system of government by the state, mankind, as if -hungering irresistibly for more social order and control, extemporizes, irresistibly, governments of its own, in the form of robber associations, pays tribute to them, fights and surrenders life and liberty for them, and brings them into rivalry in power with the enfeebled state. This is what the brigands of Italy have done in the Camorra and Maffia, what the thieves of New York have done in the Tammany society, what the Kentucky mountaineers have done in their moonshiners and vendettas, and what the police of New York have done in their system of bribery. It is interesting to note that the principles which underlie social crime range themselves under law of a certain minor sort, which is well worth the study of all those who suppose there is a law for killing game in October, but none for breach of the game laws in August. Prof. Merlino's article is directly in line with the researches of all who are sincerely trying to arrive at the law that governs all manifestations of lawlessness—the Archon that presides over anarchy.

CRUDITY AND ANARCHY.—*Chicago's Message to Uncle Sam*, by Prof. Frank Parsons, and *A Review of the Chicago Strike of '94*, by W. R. Harte, in *The Arena* for September. *The Arena*, in these as in all its social articles, struggles with a certain qualified success to reduce intellectual crudity to an exact science, and social discord to a law of evolution. If it fails in its rather brilliant effort, the result

will be due more to lack of coherency, and of truth, in its materials, than to any want of recklessness in their handling.

FREE TRADE.—*Present Industrial Problems in the Light of History*, by Edward Atkinson, in *The Forum*. Mr. Atkinson makes the mistake concerning the recently enacted Gorman-Crisp tariff of saying, "The barriers which have separated the different groups of the English-speaking people are about to be thrown down. We shall all soon be reunited in the bonds of mutual service. We are the complement of each other, the one branch producing in abundance what the other lacks." No statement could be more false. Every dollar's worth of product either country has ever sent to the other or ever will send displaces a dollar's worth of the same product which the other is trying to produce. In every pennyworth of the products of either we are competitive, and in not one dime's worth are we the complements of each other. And Mr. Edward Atkinson knows this to be the fact.

IMMIGRATION.—*Assimilation of Nationalities in the United States*, by R. Mayo-Smith, in *Political Science Quarterly* for September. Prof. Smith holds (p. 428) that "the optimistic view that the mere mixture of races and peoples will of itself produce a superior type, has no scientific basis in anthropology and ethnology. Everything depends upon the way in which the mixture is brought about and the elements which are involved." Prof. Smith cites Sicily as a case of marked admixture of nationalities, yet one of the most unhappy countries in the world. Prof. Smith takes a large contract on his hands if he undertakes to argue that the "breeding in and in" of one race, type, family or people with itself tends to promote a civilization as vigorous as the intermixture of the higher races with each other. The opposite doctrine is as nearly established as any proposition in either ethnology or biology. Even horsemen and bird-fanciers know it.

MONOPOLIES.—*Capitalistic Monopolies and Their Relation to the State*, by J. W. Jenks, in *Political Science Quarterly* for September. Prof. Jenks defines "national monopolies" (p. 487) as "all those industries that, after the plant is established, give a more than proportional product for every increase of capital." He says this definition is "generally understood." On the contrary, we should find it hard to think that the question whether an "industry" is a monopoly or not depends on the rate of profit it can make on new increments of capital. We should say that the higher the rate of profit an enterprise could make on every new increment of capital, the more brief would be its duration as a monopoly. Prof. Jenks discusses the petroleum, whiskey and sugar monopolies with not a little research and familiarity.

POVERTY.—*The Significance of Modern Poverty*, by W. H. Mallock, in *North American Review* for September. Mr. Mallock argues against upsetting the existing order of industry, because eleven-twelfths of the members of society get all they need under it by industry, and a large proportion of the remainder are relieved of actual suffering by the natural outcome of human sympathy. There are two questions lying deeper, which Mallock may some time reach, viz., whether all the causes of pleasure and pain are not relative, and therefore essentially equal, as to all; e.g., whether a man in good health without food or good clothing suffers more than a man in like health who for the first time cannot pay his note, and whether therefore every human condition does not subject its owner to a degree of happiness and of suffering essentially proportionate to the acuteness of his nervous sensibility. If so, then the energies of society should be directed to the relief, not so much of those who have the least wealth as of those who have the most nerves.

PROFITS AND INCREASE.—*New Wealth; A Study of the Source of Income*, by Wm. Smart (of Glasgow), in *Political Science Quarterly* for September. Prof. Smart differs from

previous searchers for the original fountain of wealth chiefly in substituting the term "old wealth" for the "productive wealth" or "fixed capital" or "plant" of later writers, and "new wealth" for the "consumption goods," consumable wealth or circulating capital of earlier writers. The article is metaphysical, lacks clearness, does not invigorate its verbal subtleties with appeals from cloudy conundrums to the mills, the mines and the markets, and cannot be said to advance economic doctrine from the point where it finds it.

RACING.—*Tendencies of the Turf*, by C. H. Crandall, in *North American Review* for September. Racing, Mr. Crandall says, is the chief of American sports, and trotting is more humane than running, as a running horse is goaded to the utmost, while trotters must be encouraged more gently or they break their gait and lose.

SCHOOLS OF LABOR.—*Relation of Labor Organizations to the American Boy and to Trade Instruction*, by Edward W. Bemis (University of Chicago), in *Annals of the American Academy* for July. Prof. Bemis discusses exhaustively the diminishing hostility of trade unions to the education of new men (youth) in their calling, whether by apprenticeships or by trade schools. He indicates that the latter are now indispensable to the highest success of the artisans of this country in industrial competition with those of other countries in all the finer manufactures. This is certainly true, and our entire American civilization has the deepest interest in the rapid evolution of the greatest number and highest order of trade schools.

STATE GOVERNMENT.—*American Administrative Law*, by ERNST FREUND, in *Political Science Quarterly* for September. Mr. Freund points out that the election of the various State officers (in New York) on separate tickets severs that relation of command in the governor, and obedience in the subordinate State officer, which is essential to a harmonious administration on questions of

expediency. It is seriously to be questioned also whether some much more simple mode of taking legal questions from the inferior to the higher judges would not prevent our courts from sinking, as they have so largely done, into mere vehicles for dispensing judicial caprice as a substitute for law.

STRIKES.—*Strikes from an Economic Standpoint*, by E. D. McCreary in *American Journal of Politics* for September, and *The Functions of Government*, by Albert E. Denslow, in the same. Both these articles in estimating the cost of strikes repeat the expression, or argument, of Carey, "labor capacity unless sold on the instant of its production perishes for ever. It cannot be stored," etc. This is not quite true. The conservation of labor capacity, by not working at certain times and under certain circumstances, may be of more value to the worker and to society than either the product or the wages which would come of the labor. The storing of a certain part of labor capacity, by working with a certain reserve of energy, not drawn upon by toil, is essential to good spirits, good temper, good luck, good manners, good thinking, good judgment, good habits and a good outcome to life itself. Hence the best workers are good resters. The best-paid workers are good strikers. The coolest heads are not those which are most incessantly drained of their vigor by toil. The ablest financiers hold their chairs down with great persistency. Hence the question whether a strike is a net loss, to the striker, by the wages he would earn if employed, depends partly on the use he makes of his time while on strike, and partly on the effect his strike may have on subsequent prices of commodities and rates of wages. Strikes are not all cost. There is a deal of seed-sowing in them.

Among the Books.

Social Evolution. By BENJAMIN KIDD. New York: Macmillan & Co., 1894. 348 pp., 8vo. Price \$1.75.

The writer of this work is impressed by a series of convictions, partly philosophic, partly religious and partly economic, which may be summed up somewhat as follows:

First. The theory of evolution as an explanation of the existing order of the universe, has won its fight against the theory of teleological causes or supernatural genesis. It is an integral part of this theory of evolution that the perpetuity and preservation of species shall be carried on by the fit, and that the unfit shall get out of their way for that purpose. This resolves the universal cosmic order, whether biological or social, into a fundamental system of inequality or aristocracy, viz., into the two orders of those who "have" and those who "have not" the essentials to success, or the fitness to survive and propagate. Hence in all the past it has been true (p. 37) that "if all the individuals of every generation in any species were allowed to equally propagate their kind, the average of each generation would continually tend to fall below the average of the generation which preceded it and a process of slow but steady degeneration would ensue." This grafts Darwinism upon Malthusianism and makes the denial of the privilege of propagation to the less fit, the reason why the race has improved.

Extending this theory of evolution to sociology, it implies that it is only through the continued elimination of the less profitable workers by the more profitable, that the upward march of the race in economic industry and social humanity can be assured in perpetuity. In this part of Mr. Kidd's work we seem to see the doctrine of evolution invoked as a decree of science competent to declare that the socialist demand that "all shall be made fit" is ruled out as impossible.

Second. Simultaneously with this law of material evolution there has been developing through man's ethical

and religious nature a growth of altruism and of appreciation of man's essential equality in value as an immortal being, of which doctrine of human equality, or brotherhood in the sight of God, Christianity is the most fervid expression. This spirit of persistent altruism has given rise, in the past, to a demand for equal political rights, which, when first demanded, it was assumed would lead to an essential equality in social opportunities among all the members of any community whose units were left free to struggle with each other in social rivalry. (*Laissez faire.*) This assumption having proven delusive, it is found that, in addition to equal political opportunities, the community at large must now proceed to guarantee equal industrial, social and intellectual opportunities, *i. e.*, must make all equally competent, expert and successful. [It is further possible that in the wake of this demand for equal industrial opportunities, if it fail to bring about a condition of equality in enjoyments, there will follow a still more radical demand for essential equality in achievements, careers, rewards and pleasures, among all the units of society, since this, after all, is the only consummation capable of satisfying the indiscriminate greed of altruism for the happiness of others.]

Third. That social evolution has been the result more of ethical and religious impulse than of intellectual culture; has proceeded more through the determinations of the poor, ignorant and religious than through the steering of the rich, cultured and scientific, or philosophic, by whom indeed the major part of all progressive movements have been opposed until they have actually gone into effect. The book closes with a somewhat opportunist and English survey of the benefits of the mode in which European races are taking charge of tropical peoples in India, Argentine and Egypt, and the mode in which tropical races who are not so fortunate as to be thus taken care of by English, French or German rulers are running behind in South and Central America, Hayti, San Domingo and

elsewhere. Altogether the congruity between the three portions of the work is not very clear. The first third seems to be devoted to proving that socialism is irrational and must fail because it contradicts the doctrine of natural selection, whereby the continued evolution of the race, and its progress toward higher conditions, are inseparably bound up in the crucial elimination of the unfit, whereas socialism demands that the unfit also shall survive. The second third of the work identifies the socialist aim with the ethical and religious nature of man, and attributes to the latter an effective persistency of endeavor which has heretofore been, and must hereafter be, the key to all social progress and achievement. The final third seems pitched on a lower key, and even descends to the "small beer" of assuming that what England is doing in Egypt, India and Argentine (pages 318-325) forms the furthest continuation, in sight, of the route over which the progress of the race lies, and that British free trade as exemplified in modern India forms an excellent illustration of modern altruism.

Upon this summary of Mr. Kidd's "swordsmanship," so to speak, in fencing with the various intellectual adversaries whom he calls up, it is evident that unless our own estimate is greatly at fault, he has fought out none of his thrusts to the finish.

Whether the law of evolution or the theory of special providence has most in it to sustain the socialist complaint against the existing ascendancy and dominance of capital in society, is not made clear by Mr. Kidd's brilliant and readable essay. Whether there has been any actual exclusion of the unsuccessful classes from their full share in the propagation of the human race, and whether their progeny has been as a rule inferior to that of the successful classes, is a point incapable at present of being set at rest. Mr. Kidd's determination to regard the "persistency of religions" as being a part of the system of evolution itself, and in its relation to sociology the most influential part, is

of doubtful congruity, since the thing he means by religions is merely a series of humanly originating myths and notions, while the thing meant by the really religious person is a series of divinely revealed truths which utterly decline to be incorporated into any system of merely human accretions of ideas.

Mr. Kidd's work has been assumed by some to be an attack upon socialism from the standpoint of evolutionary science. That it is not so will be evident to all who perceive that it concedes *in toto* the socialists' complaint against the justice of the existing ascendancy of capital in society, and differs from Marx and Engels only in predicting that the proletariat is to take possession of the world's productive wealth by gradual and peaceful means instead of by a violent revolution.

In no sentence of Mr. Kidd's work does he exhibit the qualities of a social economist. Like the socialists, he divides mankind into the "haves" and "have nots," instead of, like the economist, into "owners" and "earners," or "trustees" and "users." He does not point out that out of the concentrations of capital grows the rise in wages, and out of equality in the diffusion of productive wealth, as among Tartars, Caribs and Bushmen, grows the abolition of wealth itself, and the enslavement of men. He nowhere discovers that equality and abundance in the enjoyment of consumable wealth increase as fewer and fewer of the population are in control of productive capital; that the wage rate only rises to a point which renders famine impossible, and a comfortable existence reasonably secure, even to the intemperate, the criminal and the incompetent classes, in those countries where seventy per cent of the productive wealth is owned by nine per cent of the people, and twenty per cent of it is in the hands of millionaires. It may be that Mr. Kidd stands excused by the fact that the works which treat satisfactorily the recently mooted topic of alleged social injustice in the distribution of wealth are few and late and have not had a wide

circulation in England. But they are accessible, and had Mr. Kidd met with them he need not have written.

Mr. Kidd's utmost stretch of insight consists in attributing those modern conditions of labor which (p. 239) really "bring all the people into the rivalry of life on conditions of equality," to "that great fund of altruistic feeling which, gradually saturating our entire social life, has slowly undermined the position of the power-holding classes." He does not perceive that this "great fund of altruistic feeling" itself dates from the moment when each person who entertains it is furnished with more means than he knows how to consume, and when he is compelled, therefore, to look around for some means, profitable to himself, of investing his surplus so as to increase the means of consumption of others. He does not perceive that out of this continual investment of means which we can produce but cannot ourselves consume, grows the economic law that all investments of productive wealth consist in the application of surplus means of producers to effect a more general, speedy and easy enjoyment of consumable wealth by others. If he perceived this he would see that the community would no more be enriched by having productive wealth equally distributed among all its members, than by having all locomotive engines and ships broken up so that each member of the community could have a useless hunk of iron or wood to carry around in his pocket.

For lack of sound economic training on the feebly-grasped question of the distribution of wealth, Mr. Kidd foolishly assumes throughout his work the justice of the socialist's and communist's complaint against the order of society in which capital and labor are co-workers. He might as well have assumed the injustice of the relation of author and reader, teacher and pupil, seller and buyer, or any other relation of commerce. If he could but grasp the fact that all productive wealth is in social use, doing its best hourly to make consumable wealth or actual enjoyment

a little more accessible than it would otherwise be to some human being, he would no more think of complaining that productive wealth had too much power than of complaining that the good Samaritan was able to lift up the poor man who had fallen among thieves so that he could ride to the inn where food and wine awaited him. Had Mr. Kidd proceeded so far in his analysis of society he might even perceive that the depth and breadth of the altruistic feeling in which he finds the spur to modern progress is itself a product of the much-abhorred parent with which it is assumed to be at war, viz., capitalist production.

Looking Within. The Misleading Tendencies of "Looking Backward" made manifest. By J. W. ROBERTS. New York: A. S. Barnes & Co. 1893. pp. 279.

This is an imitation of "Looking Backward," but with a reverse result. Like Mr. Bellamy, Mr. Roberts goes to sleep and dreams, and sees what never happened. In his dream everything went the reverse of what occurred in Mr. Bellamy's dream. He saw the Bellamy regime in operation, to the disadvantage of everybody. After several naps, he woke up and saw the old regime (the present) restored. Although it is the opposite of Bellamy's, and if it could have any influence, would be somewhat of an antidote to "Looking Backward," it is of the same unscientific and irrational character.

Men of Achievement — Statesmen. By NOAH BROOKS. New York: Charles Scribner's Sons. pp. 347.

Clay, Webster, Calhoun, Benton, Seward, Chase, Lincoln, Sumner, Tilden, Blaine, Garfield, Cleveland are here served up, in brief and generally fair and well-written compendium. Four Democrats and eight Republicans. The omission of Jackson, Polk, Jefferson Davis and Floyd, Robt. J. Walker, Cass, Van Buren, Douglass Cobb, Yancey, Buchanan and John C. Breckinridge shows that the book, while it aims to be non-partisan, is hardly comprehensive as to the Democratic party. The absence of Stanton, Fremont,

Butler, Roscoe Conkling, Thaddeus Stevens, Judge Kelley, Henry Wilson, Senator Morrill, shows also how swiftly oblivion comes upon the men of achievement of the Republican party. The assumption of the compiler seems to be that we need a schoolbook in which Tilden, the rich railroad wrecker, and Cleveland, the coarsest consecrated Chadband that ever obtruded his selfish rotundity into American politics, shall appear as in the line of regular succession of intellectual American statesmen. We fear this is too much like introducing Pope Joan among the authentic popes merely because she littered in the streets of Rome too publicly to be omitted. Public opinion will more and more tend to regard the "passing of Cleveland" before the American people as an event which, like the drunkenness of Noah, had best be veiled altogether. When the careers and qualities of the statesmen who preceded the hiatus or vacuum known as Cleveland have been exhausted, and it seems necessary to discuss Mr. Cleveland's relation to any of the particulars which make a statesman, let it be done with that fine brevity which marks in the histories of Ireland the chapter on snakes, viz., "Ireland is without snakes."

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PIANOS

SOCIAL ECONOMIST

NOVEMBER, 1894

Society and Sympathetic Strikes.

The sympathetic strike is a comparatively new phase of the Trade Union movement that is capable of producing serious social disturbances as was shown in the Pullman strike, last summer. The attitude of the public, the press, and the legal fraternity towards these sympathetic strikes is one of fierce antagonism. It is urged that sympathetic strikes are mere instruments in the hands of unscrupulous leaders by which they can arbitrarily inflict incalculable injury upon the community. Laborers whose hours, wages and general relation to their employers are satisfactory can, by the method of sympathetic strikes, be forced to quit work entirely against their own judgment. This seems so directly opposed to every principle of personal freedom and the right of individual judgment that it is regarded as a dangerous form of despotism, which should immediately be crushed by the machinery of law.

Under this impulse the whole discussion of the subject has been conducted from a snap-shot view with no serious attempt to consider the economic and sociological inwardness of the movement.

For instance, the *London Times*, of July 16th in discussing the subject says:

"In strikes of the type engineered by Mr. Debs and Mr. Sovereign, there is a very imperfect notion of any direct gain in view. Mischief for mischief's sake, destruction of capital, even if no good comes of it to any concerned, is justifiable. We are threatened with strikes the object of which, in the secret counsels of the leaders, is not so much to get better wages, but to disorganize and demoralize industry, even if the result be in certain trades to diminish greatly the power of earning wages."

Nor is this peculiar to English papers. It is a specimen of journalistic unfairness towards the subject in this country quite as much as abroad.

During the months of July and August, the leading papers in the United States were constantly giving utterance to just such unconscionable statements. And now that the heat of the conflict is over, the same spirit is finding expression in magazine literature and the speeches of judges and legislators.

In the *North American Review* for August, the editor of the *Railway Age* in an inflammatory article insists that the Chicago conflict was not a strike for wages but a deep laid plot to inaugurate:

"Nothing less than a general industrial rebellion." * * * "Former disorders have been but sporadic outbreaks, resulting from local causes. This last is the development of a deep-seated malady, a cancerous growth, which has been deliberately implanted in the social system of the country, and has been fostered there until it has struck roots, which will not be torn out without the rending of tissue and the spilling of blood. Its existence is a menace to the nation."

In the *Journal of Political Economy* for September (Published by the University of Chicago), Professor W. Von Holst has a much longer and even more inflammatory, not to say demagogical, article upon the subject in which he says:"

"The Pullman employees exercise their uncontested legal and moral right not to work for wages unsatisfactory to them. A labor organization, in no way concerned in the case and knowing nothing of it except what the one party is pleased to tell it, claims as its right and deems it its moral duty to ride into the lists with armor buckled on and sword drawn, solely on the strength of the fact that 'labor' is contending against capital. It thereby proclaims that partisanship is imperatively imposed upon 'labor.' It acts upon the maxim: Right or wrong, 'labor' must go with 'labor.' Starting from this maxim, it advances, step by step, to the other maxim: In contests between 'labor' and capital, 'labor' is enjoined from admitting that 'labor' can be wrong, or that capital can be right. . . . The very word 'scab' is an infamous outrage upon liberty and equality of rights. Organized labor 'shutting off' scabs is the most high-handed usurper, the most hard-hearted despot, the deadliest enemy of liberty the world has ever seen. The

worst it has ever been guilty of against capital is a petty offense compared with what it perpetrates upon labor, without quotation marks, in almost every big strike. And the whole people are its accomplice by having let it come to this." . . . "As 'labor' has the right to enact a 'complete paralysis,' and to keep its decree in force as long as it pleases, it has the right to bankrupt every one who can be bankrupted by setting the economic life of the nation at a standstill."

Nothing could be more effective in destroying the confidence of workingmen in the honesty and fairness of the Press than such flagrant mis-statements of common facts as indulged in by the *London Times*. Nor could anything be better calculated to ferment feelings of class hatred and social disorder among wageworkers than such inflammatory raving as is displayed in the class war-cry of Professor Von Holst. To say that strikes are inaugurated to produce "mischief for mischief's sake," is sufficient to justify the worst opinion workingmen ever entertained regarding the so-called "capitalist press." No man in his senses, be he capitalist, editor or employer, really believes any such thing. Such a statement is a wanton libel on organized labor everywhere, and yet this, it will be observed, is not the utterance of a flippant, irresponsible country scribbler, but of a pretendedly serious editorial in the *London Times*. And the "Peter the Hermit" kind of frantic appeal to arms against organized labor by the editor of the "*Railway Age*" and Professor Von Holst is no less significant since the former represents railroad capital and the latter one of our most pretentious universities, from whence we have the right to expect, at least, a smattering of economic sanity and sociological sense.

With such misrepresentations and class-hostility from the Press, Capital and the Colleges, how can workingmen escape the belief that they have no friends outside of their own class, that society is against them? Is it surprising, that under such conditions, they should lend a ready ear to the revolutionary doctrines of socialism, populism, even Anarchy? Would it not be remarkable were it otherwise?

The time is past in a country like this for attempting to deal with industrial and social questions by a high-handed bullying of the laboring classes. Such gross misrepresentation and inflammatory tirades as resorted to by the London Times and Professor Von Holst can no longer deceive anyone capable of forming an opinion on the subject. They can serve only to prove incapacity for fairness on one side and intensify the bitterness on the other.

It is time that a vigorous halt was called on this ill-tempered and mischievous method of treating an important social problem. In no other field of discussion would such conduct be tolerated. In the domain of astronomy, chemistry or biology, for instance, such persistent antagonism to new phenomena would be promptly characterized as bigoted incompetency and relegate those indulging in it to the list of incompetents; yet, on the subject of industrial organization which is a vital problem in sociology, mere clamorous denunciation passes for intelligent discussion. Whatever may be the short-comings of workingmen, there can be no justification of this bigoted attitude on the part of professional classes who are supported by the community for the special purpose of contributing to the unbiased and scientific solution of these vexed problems.

The assumption that strikes are the creation of a few individuals is the acme of absurdity. Strikes are as completely beyond the control of individual leaders as is the action of political parties, social clubs or religious organizations. When ministers fail to represent the doctrine of their parishioners they soon become unpopular and have to leave. When statesmen fail to represent the principles of their party, they drop to the rear. So, when labor leaders fail to represent the desires and policy of their organizations, they lose their power to lead, as every one at all familiar with labor movement well knows. Indeed, there is not and never was a statesman or labor leader who was strong enough to change his principles without losing his leadership. In labor organizations, as everywhere else,

leaders lead not by the power of their personal dictum, but because they represent the views and interests of their followers.

To be able to form a rational opinion regarding the character and influence of trade unions and strikes, it is necessary to study their history and development, carefully noting the conditions and motives under which their different characteristics have appeared. An important fact in the history of strikes is that they are peculiar to a certain industrial type of society and that they are more prevalent in most highly developed countries and industries. For example, strikes are better organized and more prevalent in England and the United States. They are less frequent and less successful in France, Belgium and Germany, and still less in Austria, Italy and Russia, while in China, Africa and South America, they are practically unknown. They are also more frequent and efficient in manufacturing than in agricultural industries. During this whole century which has seen such a successful development of trade union organizations and strikes in England, only one or two have been by agricultural laborers and those not successful. The same is true of France and Germany. In these countries the strikes have chiefly been in manufacturing centres. In this country where the history of strikes is more complete than anywhere else, the facts show the same results.

According to the official report on strikes and lockouts published by the Commissioner of Labor, covering six years (1881-86), there were strikes in 22,304 establishments; out of these 13,389 or over 60 per cent. succeeded wholly or in part. An analysis of the tables published in this report show that the great preponderance of the successes were in the manufacturing states where labor is the best organized and wages highest, and the failures were in the most backward and agricultural states where labor is poorest paid and less organized.

Thus, in Massachusetts, New York and New Jersey,

there were strikes in 10,867 establishments, of which over 70 per cent. succeeded wholly or in part, while in Kentucky, Alabama and Louisiana, there were only 269 strikes and 71 per cent. of these were total failures.

From these facts, it appears that trade unions and strikes are not a remnant of barbarism, but the product of advancing civilization, being most numerous and efficient in most civilized countries, and have no existence at all in most backward countries; and that in those countries where they do exist, they are most frequent and powerful in machine using and skilled industries, and hence are relatively strong among factory and railroad hands and city mechanics, and relatively weak among agricultural and rural laborers. In other words, trades unions and strikes are not peculiar to race or nationality, but they are an economic product of the wage system as a type of industrial organization. Nor are they a mere instrument of retaliation against corporate capital as many appear to assume. They are an integral part of industrial differentiation itself. They come with the evolution of the wage class in the same way and for the same reason that the wage class came with evolution of the capitalist class.

As the successors of the Feudal Barons the capitalist class became employers of labor for wages instead of paternal providers; and laborers became wage receivers instead of industrial wards. This transition, which was very slow, covering several centuries, culminated in the 18th century; and in the beginning of the 19th, the line of demarcation between the wage and employing class was definite and unmistakable.

With the introduction of the factory system, laborers lost their economic individuality and unconsciously became an industrial class, specialized by industries as weavers, spinners, shoemakers, tailors, carpenters and bricklayers, instead of as individual workers. This was not due to any perversity on the part of employers but was made necessary by the new industrial conditions. When laborers began

to work with steam driven machinery, it became indispensable for each branch to work as a unit, hence, the wages, hours of labor and other conditions were fixed for all instead of for each individual, as under hand-labor conditions. As we have frequently pointed out, this made individual contracts impossible. The condition of one must be the condition of all in any given establishment, and the competition between employers made it nearly as imperative that the hours, wages, etc., of one firm must be substantially those of all contributing to the same general market.

This specialization of laborers into classes made organized class action indispensable. Laborers could no more avoid this than capitalists could avoid the factory system. For the same reason that as a last resource, individual demand can only be enforced by a refusal to work, so class demand can only be enforced by a class secession of labor, which is a strike. Thus strikes are really the only instruments within the reach of laborers by which their industrial demands can be enforced. Of course, they will gain or lose by this collective action or strikes according to the wisdom or folly of their decisions, just the same as if they acted individually.

Now, this view of the case has never been recognized, much less clearly understood. The employing class, and to a great extent, the public have insisted upon laborers acting individually; hence, trade unions have been regarded in the light of a conspiracy, and strikes as social rebellion. But the persistence of laborers in the line of the inevitable gradually won from the public, little by little, the right to organize, the right to own funds and finally the right to strike. It is the effort of strikers to prevent others from taking their places and its corollary, the sympathetic strike, that now constitutes the ground of public opposition. These are still regarded as war against society.

The different phases of the labor conflict have arisen, like trade unions themselves, out of the necessity of the

situation. Trade unions would have been utterly impotent for purposes of industrial improvement if they could not have resorted to strikes. As a last resource strikes were the only efficient means by which they could reach employers. It is useless to deny that the object of a strike is to inflict loss upon the employer; to demonstrate to him that he will lose more by not conceding to laborers' demands than by conceding. Unfortunately, this is too frequently the only way that conviction favorable to higher wages, shorter hours and other improvements can be carried to the minds of employers. And as is well known, this is only resorted to when other means fail. To take this away would be to destroy the economic power of labor organization. Experience has proved that to prevent others from taking strikers' places is an essential feature of the strike itself. This was instinctively realized by laborers in the earliest stages of the strike movement.

Despite the seeming irrefutable theory that every man has the right to work wheresoever he pleases, they have ever acted upon the assumption that he who will take a striker's place is an enemy to his craft and forfeits all right to the confidence and respect of his comrades.

Although public sentiment is frequently with strikers it has made no concession on this point. This unyielding attitude of public opinion has really led to the development of sympathetic strikes. Finding it too unpopular to prevent strangers from taking the places of strikers, the laborers have sought to obtain the same end by other means, viz.: by so extending the strike into kindred and dependent trades as to make it impossible for employers to fill their places. To rail against labor for doing this is as useless as complaining that fire burns babies. They do oppose it and they will continue to do so because in the nature of things they must do so or abandon their whole system of organized action.

Of course, sympathetic strikes can be suppressed by military force as could the right to strike at all for that

matter, but it would involve the suspension of Democratic institutions and probably a revolution. But if we are to maintain the semblance of free government we must recognize the laborer's full right to fair competition with capital in all labor controversies which can be accomplished by limiting the contest in labor disputes to the original disputants on both sides. Let outside capitalists and laborers hands-off until the struggle is ended. Then open the field to all.

This would effectually abolish "scabs" and make sympathetic strikes unnecessary, and so protect the general community from the consequences of the bad judgment of both rash laborers and stupid employers.

Of course, it will be urged in objection to this proposition that it violates the doctrine "that every man has the absolute right to control his own business," and, therefore, employ whomsoever he will. The idea of "absolute rights" has no foundation in actual life. It is one of those legal fictions that society has long since outgrown and which nobody should be expected to take seriously.

It is an inherent law of advancing society, constantly illustrated in history, that political institutions are the servants of the economic and social requirements of the people. To this law both kings and capitalists have to bow or pay the penalty in social disruption. It is upon this principle that nearly all social and industrial improvement has been made. The building of houses, drainage, ventilation, laying out of streets, management of factories and workshops as to hours of labor, employment of children, night work, toilet accommodations, are all now subject to public approval. A person cannot build a house without conforming to certain rules and regulations as to size of rooms, height of ceiling, ventilation, plumbing, drainage and other conditions. The fact that he is willing to live in it himself without these conditions is of no avail.

Therefore, the proposition to limit strikes to the original disputants does not involve any radically new

social principles. It is but the further application of a well tested principle in society. It rests upon the question of social expediency. The expediency of this step is easily established. In the first place, as we have seen, it would practically secure industrial peace of society. It would protect the community from being paralyzed by an industrial dispute of a single corporation and in the next place it would inflict no serious economic injury upon capitalists.

It is a well known fact in the history of strikes, both in Europe and this country, that capitalists seldom if ever import strangers to take the place of strikers, in good faith. The new comers are nearly always used as mere buffers to awe the strikers into returning to work for fear of permanently losing their places. Indeed, laborers thus called into requisition are frequently either strangers to the business or incompetent stragglers who seldom have a permanent situation.

In order to get the maximum effect from these irresponsible and often disreputable incompetents they are frequently housed in the factories; then the reporters are informed that the mills are rapidly filling up. To further sustain this delusion, we have known the machinery to be stripped of the material and set running empty, so that the click and buzz of machinery could be heard on the streets and so seem to verify the fraudulent report that the mills are running nearly full handed.

Substantially the same took place in Homestead.

It is well known that nearly all the men who were imported to Homestead were the scrapings up of the loafers in the great cities who spoiled nearly all the work that they attempted to do. Indeed, it has frequently been the experience of manufacturers that not only the work but the machinery itself has been greatly damaged by these laborers. It is also well known that they are never retained after the strike is over. A few competent workmen may thus be obtained and these may enable the employer, if the Union is weak, to blacklist the leading spirits

among the strikers. It is this dishonest use of "scab" laborers that most irritates the strikers and goads them on to violence. Since the system of importing strangers to supersede strikers serves no legitimate economic purpose, even to capitalists, and is a fruitful source of bitterness and disorder in society, there is no sociological defence for its continued protection.

We shall doubtless be met here with the contention that when laborers go on strike they have given up their position and have no more claim to consideration than have total strangers. Therefore, their places are as absolutely at the disposal of their employers and open to new laborers as if each laborer had left individually and found work elsewhere.

This is a plausible assumption which has no real basis in experience. As a matter of fact, it is not true and neither laborers nor employers regard it as true that when a strike occurs the laborers have severed all connection with the firm. On the contrary they all expect to return to their places when the dispute is over, and the employers expect them to do so. In reality a strike is only a temporary cessation of work during the settlement of a disputed question. It creates no permanent vacancy until the contest is over. Moreover, laborers, like capitalists, are socially dove-tailed into the community. They have family, educational, social and religious ties to society, which are no less sacred than the investments of capital. The idea that laborers have no stake in the community that need be considered, and can be thrown off like an old hat, is incompatible with a highly complex civilization. Moreover, they absolutely refuse to recognize this view of their position, and will take all the consequences of endangering the stability of society in order to maintain their social status. To deny their right to struggle for this is to deny their right to social improvement.

Nor is there any real foundation for the claim that the exclusion of outsiders from strikes would be injurious to

other laborers. In reality, the chance of the unemployed to get work is in no way affected by a strike. The positions are temporarily vacant only for the purpose of improving them.

If the workmen had continued work at the old terms or at the proposed reduction, as the case might be, there would have been no opportunity for the would-be 'scabs' to get work; on the contrary, their chances would have been injured by that fact, since accepting the poorer terms would tend to lower the terms in all similar occupations. On the other hand, if the strikers win, they improve both their own position and the position of their whole class. Thus, instead of strikers injuring the opportunity of other laborers, they are really martyrs to their whole class. They assume all the hardships and risks in trying to improve their position. If they succeed, others share the benefit; if they fail, they bear all the loss. It is the outsiders, who will take the strikers places, that inflict the real injury. They simply assist in preventing the strikers from improving their positions, and so far as they succeed they injure their whole class without even benefiting themselves.

Clearly then, there is no valid reason in either economics or sociology why strikes should not be limited to the original parties in the dispute. They are the ones who have the grievance; they are the ones who have undertaken the struggle and they should be allowed to conduct it without outside interference of either labor or capital. This would relieve society from the menace of sympathetic strikes without curtailing the freedom of competition between labor and capital.

Nor would any arbitrary legislation be necessary to bring this about. All that is required is to recognize the principle "that outsiders have no part in strikes." If this position was vigorously taken by economists, editors and public men generally, the taking of strikers' places would soon become too odious for endurance. With the influence

of all classes definitely against 'scabs' and their patrons as common enemies of society, sympathetic strikes and their disorderly belongings would soon become unnecessary and impossible and one of the greatest dangers to the community would be removed from the labor controversy.

The Theory of Wages and Profits.

Professor T. N. Carver (of Cornell University) in the last *Quarterly Journal of Economics* argues that wages and prices are fixed by the law of "Supply and Demand"; but that the marginal cost of acquiring proficiency in the skilled occupations is the efficient cause of the limit of the supply in them, that the marginal standard of living and painfulness of labor are the efficient causes of the limitation of the supply of labor in general, and that in all cases the marginal productivity of labor is the factor that is present in the determination of wages, but that wages of personal ability are determined on principles analogous to those which determine the rent of land.

This shows in how suffused and nebulous a condition the theory of wages still is as taught in some of our advanced colleges.

No suggestion is contained in Mr. Carver's entire discussion that a condition of the continuous payment of wages must be an enterpriser who is either sinking capital or looking for profits. No theory of wages can safely shut down without mentioning the man who pays them, why he pays them, whether he pays them continuously, whether if he is sinking capital instead of dividing product to pay them he is or is not part of the force that determines the rate of wages, provided his class of losing capitalists is a continuous class.

Neither does Mr. Carver discover that the psychic and dynamic forces which express themselves in Trade unions and Labor federation, and which are so potential in win-

ning political freedom, religious liberty and popular rights have any share in fixing the wage rate. Yet, everyone knows that in all occupations, which are paid for by fees, a low wage will be offered to a shabby or evidently poor person while for the same service a much higher wage will be offered to a better dressed and more attractive person because the cost of his service is greater.

Mr. J. R. Dodge's statistical survey of wages in agriculture in the various counties of each state, and in the various states of the United States, as affected by the proportion of the total population of these states and counties which consume agricultural products instead of producing them has shown that in states where only 18 per cent. of the people are producing farm products, while 82 per cent. are consuming them, wages of farm labor rise to \$24.14 per month without board, or \$15.10 with board (in 1882). But where 42 per cent. are in agriculture and 58 per cent. are consumers the wages of farm labor fall slightly, to \$23.51 without board and \$16.93 with board. And where these proportions are reversed and 58 per cent. are in agriculture and only 42 per cent. are consumers, the wages of farm labor fall to \$19.51 without board and \$13.04 with board. Finally where 77 per cent. of the people are in agriculture and only 23 per cent. are consumers, the wages of farm labor fall to \$13.67 without board and \$9.24 with board.

This shows that wages of farm labor rise directly as the proportion of laborers engaged in manufacturing pursuits exceed that of those engaged in agricultural. And this is because the standard of living is higher and the cost of living consequently greater in manufacturing than in agricultural communities.

There are underlying all the sources of value two active social forces corresponding to the forces of gravity and radiation in physics. In economics, these forces are effective demand conditioned by the principle of differential cost in the supply. Demand operates as the social force

calling the commodity into existence. The cost of production operates to force the price up to the point of reimbursing those continuously furnishing the dearest part of the demanded supply. The pressure of consumers for minimum price and competition between producers capable of producing at different costs per unit, constantly tend to force the value down to the cost of the dearest portion continuously furnished. Thus demand, conditioned by differential cost of production, constitutes the law of value, in the operation of which price constantly tends to equal the cost of furnishing the dearest portion which is continuously supplied.

It has been objected to the "cost of production" theory that the cost of the dearest portion is not itself an ascertainable quantity, and hence that the formula cannot be a standard of scientific measurement since the standard itself has no known dimensions. In reply to this objection it may be said that all standards of measurement resolve themselves on analysis into non-ascertainable quantities. An atom, a molecule, a pound and a foot, have an ideal but not absolute existence. The earth's measurement is upon ideal lines of latitude and longitude which disappear when looked for. Astronomers measure the heavenly spaces while metaphysicians are arguing that space itself is an unknowable mystery. Chemists report upon the mode in which atoms of carbon and hydrogen unite in forming a gas, while conceding that no such entity as an atom is discernible, and physicists compare the relative number of vibrations in the violet with that in the red ray regardless of the fact that light has not been proven to be a vibration.

Hence standards of measurement which have no absolute dimensions may still be useful, indeed indispensable for relative purposes, and all economic measurements being measurements of value are specially relative. Hence, the cost of production of the dearest-produced portion of the supply which continuously comes to market needs no more

to be known, in order to measure from it for economic purposes than the exact location upon the earth of the pole or equator needs to be known in order to measure from both in conveying land, as is constantly done in the United States; or than atoms, vibrations of ether, or other elements must be definitely measurable in order to be used as terms of measurement. What is actually measured by taking the "cost of dearest continuous production of the regular supply for a given market" as the measure of price, is the gradations by which one set of profit makers will compete with another in the same market, for the purpose of deducing the truth that profits are always a saving by those who produce at a lower cost and are not an element in cost. This is as clearly deducible without the absolute quantity of any cost of being known as it would be with.

The Duke of Argyle raises two objections to this theory. (1), That it is only an index of value and not a cause.* (2), That it is the cheapest portion and not the dearest which governs the price.

(1) It may be replied that in questions of mere measurement indices are all the cause there can be. The reason why a piece of cloth is a foot long is that a foot measure goes once upon it and no more. In defining the cause of the value of a day's work as a carpenter in Esopus at one dollar, in Yonkers at two dollars and in New York at three and a half dollars, the cause of the difference in value is completely stated when it is said that it costs a carpenter in Esopus one dollar a day to live as well as he can live for two dollars in Yonkers or for three and a half dollars in New York, hence that the part of the carpenter's labor supply which merely lives and no more at Esopus, will cost its owner, *i. e.*, the laborer one dollar, at Esopus, two dollars at Yonkers and three and a half dollars at New York, and all this without explaining why these costs differ at the three places.

* Unseen Foundations pp. 311.

(2) The Duke is entirely right in contending, as illustrated in his own nickel mine, that the cheapest portion of the supply, if it comes in sufficient abundance, will bring down the price to its own level and close up the dearer modes of supply. But he is entirely wrong in concluding from this that "the cheapest and most abundant production must govern or determine the price in every market."* The Duke's nickel mine was most profitable, as he admits, when the higher cost of dearer mines was holding up his price far above his own cost. But when mines were discovered in Norway from which nickel could be obtained at a much lower cost than the dearest, though not at as low as his, the price fell, greatly reducing the Duke's profit, because the cost of the dearest portion that was then being supplied was less than was that of the dearest portion previously, so that the price fell to the then dearest portion and the extent of the fall took so much of the Duke's profits. And still later when "nickel-producing machines were discovered" the cost was still further reduced and the price fell with it and, to use the Duke's words, "destroyed the profits of my mines altogether."

When the Duke's profits disappeared it was because his nickel had become the dearest portion and the prices became equal to the cost of producing it. So, in this instance, as in all others, it is quite clear that the price was maintained to the equivalent of the then cost of producing the dearest portion. And the portion which had previously been cheapest only governed the price when it became the dearest. And when it became the dearest it yielded no profits, as the Duke well knows. So that the Duke's facts really demonstrate the truth of our whole contention.

A third class of objectors to the cost of production theory are the Jevons-Bohm Bawerk school whose theory is that value is the measure of the final degree of utility of a commodity to its purchaser, by which is meant the utility

it possesses to the purchaser who derives from it the lowest degree of profit or use sufficient to induce him to buy it.

This formula derives value from the uses to which goods are expected to be put in the future rather than from the costs which have been continuously expended upon their production in the past. It seems at first blush to enjoy the advantage of associating value more intimately with "effective demand" than does the theory which derives value from the cost of production.

Demand is a very important factor in value, but to assume that it furnishes the law of value is like assuming that the spring of a clock regulates the movement of the hands, whereas it only creates the motion while the pendulum regulates the speed. So in economics, the force which at all times creates values is demand or desire, including the power of counter production of commodities which consumers must possess to make their demand effective. But for this very reason, there must be a counter force pulling against demand like the wheels, cogs, friction and pendulum of a clock to measure values. This counter force is found in cost of production and is exactly measured in the cost of producing the dearest portion continuously produced.

The logical objection to the Bohm Bawerk theory is that, if values can be reflected into objects from the future uses they are to serve, then the value reflected ought to equal the whole utility which they will subserve; a dilemma which would make it impossible that any profits should exist. For, if all the utilities to be subserved by a building to be erected on Wall Street, corner of Broadway, will reflect backward into the lot, the materials and the labor and capital involved in their erection, then they will all be worth in contemplation, exactly what the building would be worth on completion. There would be no room for profits and hence no motive for enterprise.

Also, if value can be reflected back from the utility of the product upon labor invested in it, then all the value

that any product will have ought to inhere in the labor which creates it, and here again there could be no margin for profits. For it cannot be said that since the value of the commodity is fixed by the utility it will have to the buyer, for whom it possesses the very slightest utility which will induce him to buy it, the profits of trade will accrue to those purchasers to whom it possesses a much higher utility, but who, nevertheless, get it at the same price. Profits, in this view, would attach to purchasers instead of to sellers, which is a travesty on the actual economic world.

Nor can we base on the Jevons theory of value a theory of wages which will explain the phenomena of the modern industrial world. Wages are a form of value, just the same as the price of commodities and are governed by the same principles. The two forces in wage determination are demand and cost. Demand for products involves market for labor. The supply of labor is conditioned, like the supply of commodities, by the cost of furnishing it which is the cost of living of the laborers families. This cost is not the cost of the aggregate labor nor, as Ricardo assumed, the cost of each laborer, nor as Marx assumed, the cost of the average laborer, but, as explained above regarding commodities, it is the cost of the dearest portion of the needed continuous supply of laborers. That explains why in the case of commodities, the total value of the aggregate product is always greater than the total cost of the aggregate. Under the law of price uniformity, the value of products of the same quality in the same market is one and the same. Since that price equals the cost of the dearest portion, all the remaining parts of the supply which is produced at less cost than the dearest portion, is sold for more than its own cost, the difference being profits to those who produce it. So that while it is true that cost governs price, it is never true in a progressive country that the total cost of the aggregate product equals the total value of the entire supply. While consumers do pay for

all products of an economically conducted industry more than all the costs combined, they do not pay more than all products would cost if all were produced at the dearest or "no profit" cost. True profits are, therefore, neither wages of superintendence, as Mill argues, nor interest on capital, nor stealings; neither an addition to price nor a deduction from wages. They are the savings made on cost of production by those who produce at less than that highest continuous cost which fixes price. They are, therefore, the mainspring in the industrial mechanism which causes wealth production to proceed by means of wealth distribution.

The same is true of labor. The total wages are always greater than the total cost of living of the class because the uniformity of wages in the class or industry is based upon the cost of the dearest families. The difference between this highest and lowest cost of living is a surplus to the wage class in the same way that profit is a surplus to the capitalists class. The surplus of the wage class shows itself in savings bank deposits, ownership of homes or an expansion in new forms of luxuries. These phenomena which are inexplicable by the Austrian, English or any other theory hitherto presented are easily explainable upon the theory of differential cost of production which to labor is differential cost of living.

Of course there can be no computation of the rate of wages from the rate of profits, any more than rates of rents can be computed from the rates of profits. Though a profit maker suddenly makes 200 per cent. on his whole capital or loses all, either fact does not of itself affect the rate of wages he will pay. Hence, while in the long run, profits may condition wages in the sense that only a continuous hope of profit can ensure a continuous employment of labor, yet, they do not determine the rate of wages.

Experience proves, however, that while few profit makers will advance voluntarily the wages of any grade of workmen whose places they can readily supply at a given

rate, yet, if the demand for their product is such that they will hope to make more than current rates of interest, *i. e.*, some net profit, on any new increment of capital needed to employ more labor, they will put in the additional capital and thus enter as competitors into the labor market, obtaining it at current prices if they can, but rather than be thwarted will pay somewhat higher than wage workers of the kind required have been accustomed to. This exigency places the employing class in a condition to be exploited by the employees if the latter wisely perceive their opportunity and courageously seize upon it, or contend for it. Probably, in no respect are economists more at fault than in neglecting this psychic or will element in determining wages. Rising wages are made possible by rising profits. They are made necessary in any given occupation by a rising standard of living in all environing industries. They are made actual by his address, tact, and courage in contending for them. They are made useful by his self control and temperance in expending them. They are made permanent by the prosperity of the consumers of his products who are dominantly the wage class themselves.

Trumbull as a Socialist.

The speech of Lyman Trumbull of Illinois to the Populists of that city contains certain economic views, to which a degree of dignity attaches both from their wide acceptance among the people, and from the clearness and vigor with which Judge Trumbull stated them. The greater portion of the Democratic and Republican press have passed them by in silence, feeling that Mr. Trumbull is too advanced in years (81) to be likely to be selected by the Populists as a future leader, and having outlived his hold upon the two other parties, he spoke with the voice of a private citizen only, and not in any representative

capacity. Judge Trumbull, however, was Chief Justice of the Supreme Court of Illinois nearly fifty years ago, and has been, we believe, upwards of twenty years in the United States Senate. He was chairman of the Judiciary Committee under which the Reconstruction measures were matured whereby the Southern States returned to the Union on the basis of manhood suffrage "regardless of color, race or previous condition of servitude," which, though embodied in the Constitution of the United States, is still far in advance of the actual capacity of the American people as a whole to either obey or enforce. Judge Trumbull has figured as the compeer of Lincoln, Sumner and Stanton; all that he has done has been respectable in point of both talent and dignity; many of the events which have felt his impress have been radical to the verge of being revolutionary and yet toward these events he has always affected the method of a conservative, a putter on of breaks and a check to the over zealous. He was a thorn in the side of Lincoln and Stanton during the war, because he did not want "arbitrary arrests" to be made of persons indirectly aiding the Rebellion from a base in the northern States. Yet when the war was over a series of political accidents resulted in his becoming the author of a scheme of reconstruction more subversive of ante-bellum political conditions than either Lincoln, Stanton, or Sumner had expected to be the outcome of the great struggle.

The voice of so historic a personage as Judge Trumbull therefore is entitled to profound respect at the hands of conservatives, because he has meant to serve them well, and of Radicals because he has in fact advanced their cause in his time in a distinguished degree.

But Judge Trumbull has that peculiar mode of regarding society, whereby he believes that what one man can do singly is industry, exalted and pure, but what a thousand men combine to do in concert, is monopoly, hydra-headed and detestable. So what one man can do while he

lives is excellent, but what consecutive generations must continuously do, is pernicious. He says:

"Irresponsible persons are often induced, for a small consideration, to form corporations with a proposed capital of millions; to subscribe for the whole stock, except a share or two, and, for a fancied imaginary or worthless consideration, to issue to themselves fully paid up stock, which is subsequently transferred to the real parties in interest, who expect thereby to escape personal liability if the concern is a failure, and to pocket the profits if a success.

"Business of all sorts is now carried on in the name of corporations, in order that the proprietors may escape personal responsibility. How can the individual who is personally responsible for his contracts successfully compete with a corporation run by persons who incur no such responsibility? Doing business in a corporate name not only paralyzes individual effort but leads to a concentration of capital—the great evil of our time.

"FOR PUBLIC PURPOSES ONLY.

"The remedy for this growing state of things would be to restrict the formation of corporations to such as are formed for public purposes, or such as the public have an interest in. Seventy-eight per cent. of the great fortunes of the United States are said to be derived from permanent monopoly privileges which ought never to have been granted.

"I do not mean to say that all great fortunes exceeding a million have been acquired by immoral means, but such as have are the exception, and to limit the privilege of disposing of more than a million by devise or descent would not affect one in ten thousand of the people. In short, such limitations would tend to discourage not honest enterprise or industry but stock jobbing, trickery and other questionable methods of acquiring vast fortunes."

The first complaint made by Judge Trumbull looks like a moral one, viz., that corporations are a mode by which individuals may do business so as to escape liability if they fail and enjoy the profits if they succeed. This is not quite true. Individuals in forming a corporation create a new legal person whose property, if it have any, is liable for its debts; and if an individual has no property his liability for his debts is of no value to his creditors. In fact more debts due from individuals are lost, through their inability to pay, than of debts due from corporations. In fact, the formation of a corporation is often a means whereby individuals who, singly, would have little credit and would pay few debts, will build up a vast credit and

pay a mass of debt which the aggregate of the individuals composing it would never be able to pay. Judge Trumbull exhibits corporations as if their chief function were obtaining values without paying for them, whereas the power of corporations to pay debts rises above the like power of individuals to pay debt, as the Alps tower above their foot-hills. And as their power to pay increases their habit of payment increases in regularity and certainty. Corporations therefore tend to perfect credit instead of diminishing it, and to promote business integrity, not merely as a sentiment or desire, but as an instinctive and in its highest development an unconscious habit. Judge Trumbull inquires, "how can the individual who is personally responsible for his contracts successfully compete with a corporation run by persons who incur no such responsibility?"

This implies that in his view the chief reason why corporations supersede individuals in business competition is that the latter must pay their debts while the "persons composing" the corporation need not pay its debts out of their individual funds.

This is too untrue to be worthy of the Judge's endorsement. Corporations which fail to pay their debts when due are summarily dissolved. Death to the Corporation itself is the penalty of its bankruptcy, a fact which has only applied to individuals under the Roman Law of the XII. Tables. Judge Trumbull well knows that the reason a corporation outstrips individuals in many kinds of business is, not that it fails to pay its debts at all, and so piles up in dividends the money it owes to its creditors, but that it pays its debts more promptly and regularly than individuals and so enjoys a better credit; that it neither tires nor sleeps, nor needs rest, nor food, nor clothing. It has no luxurious nor expensive tastes of its own, knows no nepotism or double motive or ambition; it looks solely to profit, has no politics nor vanity, no vice nor weakness, but works like an engine with a single dominating purpose,

to do its work. It is a money-making machine, in fact it is that very Economic Man whose existence certain Economists are proud to deny.

Judge Trumbull says that doing business in a corporate name "paralyzes individual effort."

Not the effort of a lawyer cross-examining a witness, of an artist painting a picture, or an orator making a speech. These are acts which no corporation can perform. Only where the association and co-operation of numbers, are required, can the corporation paralyze individual effort. And where numbers are required, the effort of one person is a failure by the terms of the proposition.

Finally Mr. Trumbull says that corporations lead to "a concentration of capital—the great evil of our time."

What is "a concentration of capital," that it should be an evil?

The chief use of concentrated capital is either to effect through an immense payment of wages, the co-operation in one enterprise of an unusual number of laborers, or to obtain under one control an unusually large stock of some commodity, or to make in real estate some very extended improvement, or to gather into one industrial enterprise an extraordinary quantity of machinery.

If, in each case, the employment of capital is nonproductive, it ruins its owner by dispersing his capital among the community, which is just the result Judge Trumbull desires, as most beneficial, since it ends the large fortune. If, however, in each case the investment is profitable to the investor then it indicates that the unusually large force of men are doing that for which there is a public demand and hence are wisely handled. So if the extended improvement in real estate, the erection of a thousand dwellings for instance, is profitable, the profit of the investor proves the existence of a public demand, and hence, that the line in which the money was invested was that of the public welfare. The same argument applies with tenfold more force to the investment of an unusually large capital in ma-

chinery. If it was profitable to the investor it must have been far more so to those who consumed its product.

Hence Judge Trumbull's desire, viz., the dispersion of large fortunes, can only be gratified when these large fortunes come into the hands of fools, gamblers, spend-thrifts and prodigals, or at least men ignorant of the public demand, which is synonymous with the needs of society. But if the large investment, or use of concentrated capital, is employed in a line which is profitable and in harmony with the social demand, then though the community is wisely served, Judge Trumbull imagines that a palpable iniquity and crime against the social welfare is being committed because the great fortune so invested is only made greater by every such use. Judge Trumbull's dilemma as an economist is that he has a theory of society in which fools, spend-thrifts and ignoramuses, in short, in which mere savages, in the economic sense, become essential to the world's well being, while those who do well and serve society usefully, but on too large a scale for him to measure or to sympathize with, become infamous.

No man can hold such a faith who rightly understands the economics of society. It makes its Ideal out of the barbaric forces. He may be learned in the law, but he is on the side of Sitting Bull and Tecumseh as respects the uses of wealth and the complexities of modern commerce.

Equally at fault is Judge Trumbull in his notion that wealth should terminate with the life of the man who acquires it. The natural instincts of men are wiser than the fantastic creeds of Iconoclasts. A few may speculate upon the utility of sending the public confiscator upon the heels of the undertaker, so that as soon as the owner of a large fortune is buried, his wealth may be distributed among the proletariat or appropriated by the state. History, however, proves that private productive wealth attains to only a fraction of its utility in the first generation which owns it. Many of the processes of industry can be carried on only by inherited aptitudes, and these are misplaced un-

less the implements and means descend, with the aptitude, from one generation to another. Its most important services often depend on the continuity with which the family in which it was originally won, and the community in conjunction with which the wealth was amassed, continues in one order of conjoint evolution, until it becomes a cult, a civilization or a nation in which each member fits into its place and is educated, not merely in the habits and tastes possible to one individual and useful, in the acquisition of wealth by him, but in those interdependent and co-ordinated habits and tasks which bring a stable community into the condition of an organized and harmonious body in which each individual fits as a member adapted and educated to the processes, and provided by inheritance with the implement, of his position.

The real reason why Mr. Trumbull is in sympathy with the populists is that he recoils from the concomitants of large production, and the complexities essential to an effective, rapid and continuous societary movement. He questions like the Rev. Dr. Abbott whether we would not all be better off if we were a good deal poorer; if our linsey woolsies were spun in our home corners by our mothers, while our fathers cobbled our shoes by the fireside. Precisely analogous economic prejudice leads the North American Indian to prefer the forest to the farm, as leads these individualists to prefer the man to the corporation, or the small concentrations of capital to the large.

Such illustrations show that no training, in scholasticism, law, politics, however practical, or even statesmanship, however extensive, suffices to rescue a man from facing directly back toward barbarism, in his economic theories, if he has not learned the fundamental propositions that inequality in the ownership of productive wealth is as essential to the widest and most equal diffusion in the enjoyment of consumable wealth, as some limitation on the rights of each individual is essential in law to the highest liberty of all, or as some capacity to err

in all human thought is taken for granted in every conceivable effort to enlighten the world. Mr. Trumbull has allied himself temporarily with the heterogeneous clans of social disorder, some of whom desire to destroy rights of inheritance, others titles to land, others the right to receive interest for loans, or profits on capital or rent for buildings, others of whom abhor all who buy products of any kind to sell again, or who employ labor, or establish banks, or loan money, or hold office, or organize society or promote industry. His words are grave in their form, but they look back with yearning to a condition of simplicity and singleness to which society can not return if it would, and should not try to return if it could. Trumbull stands like old King Lear upon the heath at midnight facing the social storm, pelted by the ruthless hail, wondering that daughters could be so recreant as those to whom the kingdom and sceptre have passed. Let him retire and sleep; within a few hours that same wild heath will blossom into sunlit beauty and those ungrateful daughters will be charming.

The Course of Prices and Wages Since 1860.

The report in four volumes by Mr. Aldrich from the Committee on Finance of the Senate, on prices, wages and transportation, with an explanatory summary by Prof. Falkner, deserves a more careful analysis at the hands of expert economists than in these times of manifold occasion for hurried investigation it is likely to receive. The report opens with a table (1) in which actual wholesale prices, compiled from merchants and manufacturers books, in every instance are given for 90 commodities from 1840 to 1891 and for 223 articles from 1860 to 1891 inclusive. The year 1860 is taken as the base line or standard (100) and the prices for every other year compare with those of 1860 by the ratio by which they rise above or fall below this base line. The prices given for the war period and for the sub-

sequent period of premium on gold until 1879 are currency prices and not gold prices but subsequent tables segregate this difference for due consideration.

To begin with, foods have manifested the most uniform tendency upward since 1860 except where the process of production has cheapened. Thus beans which were 140 in 1856 fell to 100 in 1860, rose to 173 in 1865, to 206.7 in 1867, to 223 in 1868 and to 226 in 1869 now stand at 118. Ship-bread stood at 100 in 1846, fell to about 87 from 1850 to 1859, rose to 100 in 1860 and has ever since been above that point from 187 in 1863 to 125 in 1891.

Boston crackers present four varieties one of which has risen from 100 in 1860 to 114 in 1891 and one other of which has fallen from 100 in 1860 to 58 in 1891, while the other two are quoted only until 1882 at which date they had fallen at the same rate as the one which now stands at 58. Evidently one variety of Boston crackers is handmade and goes up, accompanied by reduced consumption, while 3 other varieties are machine made and go down, accompanied by enlarged consumption. Oyster-crackers have gone down from 100 to 80 because made under the factory system on a prodigious scale, while navy ship-bread has gone up from 100 in 1860 to 114. Ship-biscuits have risen to 112.5, bread, soda-crackers have remained stationary and butter after going up from 100 in 1860 to 250 in 1865, has declined under the force of the great butter-factory system begun at Elgin, Ill., and now extended everywhere, until butter stood at 116 in 1890 and 128 in 1891, while cheese has fallen from 100 in 1860 and from 225 in 1865 to 95 in 1890. Coffee (Rio) rose from 100 in 1860 to 378 in 1865 and after dropping to 69.6 in 1883 and 71 in 1886 rose to 163 in 1888 and is now at 165.

The champion article for rise in price is cod fish which from its nominal par of 100 in 1860 has risen to 312.5 in 1865. This must be because the processes by which cod are caught and salted have undergone no change, but are still those of the solitary line and hand labor while other

industries have been moving forward. Salt mackerel also have advanced from par (100) in 1860 to 150 for No. 1, 164 for No. 2 and 230 for No. 3, the poorer varieties advancing in relative price more than $2\frac{1}{2}$ times as much as the dearer. Mackerel also therefore though swimming in schools and taken in nets are the product essentially of hand labor like cod.

Wheat flour, however, has gone down from 100 in 1860 to 72 in 1891, owing about equally to the great planters, cultivators and harvesters of the bonanza farms, and the vast mills of Minneapolis which run automatically night and day without tending, and the low freight rates per ton per mile by which the product is brought eastward. Meanwhile rye flour, which is not greatly affected by all this large apparatus has gone up from 100 in 1860 to 107 in 1891, though it had stood at from 81 to 93 from 1882 to 1890. Dried apples were 16 points higher in 1891 than in 1860, though from 1876 to 1890 they had been very much lower and in two of these years down to 51.6. Zante currants have since 1877 been from 7 to 35 points lower than in 1860 and prior to that time varied in about the same proportion as the premium on gold. Of raisins the same may be said as they also are an imported product. Lard has fallen by about one-half, to 54 for plain, and to 60.6 for pure leaf, while corn meal, which largely governs lard, fell in the same period from 100 to 78, and clear bacon fell from 100 to 76 being more exactly responsive to the price of corn than lard. Beef (loins) rose from 100 to 105.6 and beef ribs from 100 to 106.7. Salt mess beef fell from 100 to 60.9. These figures indicate a decline in the price of salt beef relatively to fresh owing to the larger scale on which packing is done. Sugar cured hams have advanced from 100 in 1860 to 122 in 1891 and have never since been so low as in 1860, except in 1881 when they had fallen to 80. Their highest price was in 1865, (288), in 1866 (298.3), 1867, 289.3. Lamb which fell in the years 1861 to 72, and 1862 to 88 and at the close of the war (1865) and when the

gold premium was highest had reached only 112, kept on rising in 1866 to 152 but fell in 1867 to 128, revived under the operation of the duty on wool in 1867-8 and went up to 208 in 1868, 136 in 1869, 144 in 1870 and 152 in 1872 and fell in 1890 from 112 to 102 in 1891. Mutton rose from its par of 100 in 1860 to 130 in 1891, while salt mess pork fell to 75 owing to the relative facility with which Indian corn could be raised for the food of hogs by the Illinois and Iowa system, of large farming as contrasted with the relative difficulty of protecting sheep from dogs, and housing them in the winter, neither of which as costs could be diminished in 1890 below the cost of 1860, but rather increased. Milk remained absolutely stationary, selling at the same price from 1877 to 1891 as it sold at in 1860-1, with an interim of higher prices intervening, the maximum being in 1867 when it was 170. New Orleans molasses has fallen from 100 in 1860 to 67.9 in 1891 and Porto Rico best from 100 to 94. Carolina rice has risen since 1860 from 100 to 126, its highest price having been in 1865 and 1866 when it was 282.4 in each year. Ashtons (imported) salt has risen from 100 to 128 and his Liverpool fine from 100 to 116.9, while course solar salt has declined in the same 31 years from 100 to 55.4, and fine boiled salt from 100 to 52 and Turk's Island has gone up from 100 to 125. Nutmegs have risen from 100 to 142.9 and pepper (whole Sumatra) from 100 to 107.5. Starch (following wheat its raw material) has fallen from 100 to 82.4 and corn starch from 100 to 73.6.

Brown sugar, whose highest quoted point was 257.1 in 1869, has fallen from its par of 100 in 1860 to 75 in 1891, while cut sugar has dropped to 62.2, fair refining to 62.9, Havana brown has dropped out of market and refined granulated has gone down from 100 in 1860 to 59.4. These results are chiefly due to the increasing competition of European beet sugar and the cheapness with which the saccharine matter is extracted from the beets. This in turn is due partly to the use of improved soil, but more largely to improved processes. Tallow, owing partly to

substitution of sheep fat for beef fat, and partly to the substituted oils, cotton seed, petroleum, etc., used in its stead falls more than lard in the 31 years, viz., from 100 to 45.1. This is chiefly due to the substitution of other means of lighting for tallow candles in conjunction with the large use of cheaper fats for making tallow.

Among vegetables, potatoes are in 1891 at the same price as in 1860.

Blankets of cotton warp and cotton and wool filling have fallen since 1860 from 100 to 76.7, those having all wool filling from 100 to 82.

Broad cloths of the first quality black, 54 inches, made from xxx wool, are of the same price as in 1860, while those of second quality have gone up from 100 to 116.7.

Calico (cocheco prints) have fallen from 100 to 63.2. Among carpets, Brussels have fallen from 100 to 90.4 and ingrain from 100 to 78.4, while Wilton (5 frame Bigelow) has risen from 100 to 113.5. Cassimeres, all wool, (3-4 7 ounce Harris double twist) have fallen from 100 to 78.5 and have been since 1876 continuously below the prices of 1860. Cassimeres, all wool, of 3 other weights, have declined respectively to 89, 69 and 99.

Checks (all wool, 3-4 7 ounce Harris) have declined from 100 in 1860 to 82.3.

Cotton, upland middling, has declined from 100 to 81. Denims from 100 to 81. Drillings from 100 to 76.8. Hides (Buenos Ayres) from 100 to 55.2. This decline of one-half in hides in face of the fact that cattle are produced by nearly the same proportion of labor as in 1860, and their meat is slightly higher, seems due to the hides coming to our market from a very much larger region, relatively to that from which they came in 1860, than the meats.

An all-wool horse blanket (6 lbs.) has declined since 1860 from 100 to 81; a leather harness from 100 to 85; print cloths from 100 to 54.7 and to 51.7. Shawls (of xx Ohio fleece wool) have fallen from 100 to 83. Sheetings (brown 4x4 Atlantic A) have fallen to 83.1. Sheetings,

bleached, to 71.7; sole leather to 87; tickings (Amoskeag A. C. A.) to 70.6; wool (Ohio medium fleece) to 81.7; wool (Ohio fine fleece scoured) to 69; candles to 48.1, (corresponding to the before-mentioned fall in tallow and due to petroleum).

Of Anthracite coals chestnut has gone up from 100 to 120.6 and egg to 103.9 while lump has fallen to 96, grate to 97.3 and stove has risen to 109. All Anthracites, therefore, have been practically stationary, but bituminous coal has fallen to 62.

Matches have declined to 77. Among the metals and implements domestic anvils have risen to 118.5 while bar iron has fallen to 72.4 and butts to 70.2, compared with a par of 100 for the price of 1860. Copper in ingots has fallen to 59.6, and in sheets to 74.6. Door knobs (mineral) have fallen from 100 to 40. Iron rods for making wood screws have fallen from 100 to 76, iron wire from 100 to 57, leaden drop shot from 100 to 88, pig lead from 100 to 70, pipe lead from 100 to 96, common mortise locks from 100 to 60 and common rim locks from 100 to 54.4, meat cutters from 100 to 42, cut nails to 59.4, pig iron to 77, pocket knives of 25 grades are quoted as falling, the lowest to 53.6, the highest to 85. Quicksilver has risen to 136.2 while the money metal has fallen to 51. Manilla rope has risen to 133.3 while tarred American has fallen to 97.3 and tarred Russian to 94.7. Disston's saws have fallen (4 kinds) to 52.8, 65.2, 37.5, and 97.4. Scythes have fallen to 60, shovels to 72.7, while spelter has risen to 133.3 Wood-screws have fallen to 92.2 and zinc (imported sheet) to 91.1. Brick (common domestic building) have gone up to 117 while Rosendale cement has fallen to 85, and Rockland lime has risen to 150. Carbonate of lead in oil has fallen to 86.2, and chestnut lumber has remained stationary. Pine doors have fallen to 78 while hemlock boards have risen to 146, and nearly all kinds of lumber have advanced owing to the proximate exhaustion of our forests, clear white pine having risen more than any other viz. to 207.1.

Plate glass has fallen in various degrees, viz.: for the six kinds quoted, to 87.8, to 76.5, to 88.5, to 89.2, to 66.7 and to 57.2 and window glass in about the same proportion.

Of drugs and chemicals, alcohol has risen to 411.1, doubtless through taxation. Alum has fallen to 77.8, calomel has followed quicksilver up to 119.1, while mercury has gone up to 127. Quinine has fallen, through cultivation of the bark to 27.3, and nearly all drugs have been tending downward because admitting of large manufacture. House furnishing goods have declined variously, soap has fallen to 73, powder is nearly stationary and starch has fallen from 10 to 30 points. The report in its Table 37, gives the rates of wages in twenty-two distinct branches of Industry, in all of which the statistics are complete for the period since 1860 and more or less imperfect for the period from 1840 to 1860, but covering in general a period of 52 years. This table shows a general advance in wages since 1860 of 68.4 per cent, when the importance of occupations as well as the simple average is taken. This report we are glad to note corrects the faulty mode of taking simple averages, which has so long characterized the statistics of the State and Treasury Departments. This mode has been to average two articles against each other according to some one term, the price only for instance, without regard to importance or quantity. It is worth much to get a better system of averages in vogue.

We have stated in detail the substance of this long and important table because no collection of facts ever before made goes so far toward enabling us to trace the governing force of cost of production over price.

But 4 per cent of the articles have to-day the same price which they had in 1860. Of the remaining 96 per cent there has been a rise in price in 27.4 per cent and a fall in price in 68.6 per cent. What rise in price has occurred has been in articles of food produced largely by hand labor. The fall in price has been comprehensively due to large methods in production and especially to ma-

chinery. The two very important tables above mentioned lead us to the threshold of a great subject. They exceed in method and fullness anything that has ever been attempted in any other country. But they admit of being supplemented by as much more work equally needed. The Senate Committee, Mr. Carroll D. Wright and Prof. Falkner, and Mr. J. R. Dodge, the statistician of the committee, are entitled to the highest credit. The result of their labor will be fruitful of more exact views of the sources of value, as they come to be carefully compared with current phases of economic theory.

A Custom's Union for the British Empire.

The offer made by *The (London) Statist* of a thousand guineas for the best scheme of an Imperial Customs Union for Great Britain and her 55 dependencies, provokes the *London Times* to say in an elaborate leader that Great Britain could better afford to enter into a Customs Union with the United States than with her own Colonies and with the Indian Empire. Of course she could. This is only equivalent to saying that a free market among 66,000,000 enlightened English-speaking Americans, would be worth more than a like market among 15 millions of colonized Englishmen in Canada, Australia, India, South Africa, Egypt, Jamaica, the open ports of China, and on her colonized rocks that border the Mediterranean from Gibraltar to Cyprus, together with such advantages as past military conquest and present protectorate legislation or perpetual treaties secure to her among the native populations of India, China and Japan.

But as there is no indication that the United States wish to enter into any Customs Union with Great Britain, the *London Times'* suggestion in this regard is not strictly germane to the question of an Imperial federation under a Customs Union of the existing British Empire. The *Times* attempts to argue that there can be the closest polit-

ical Union between England and her Colonies without any Customs Union. This proposition may be hypothetically plausible under certain conditions. England must be superior to her Colonies and to all other nations in her facilities for cheap manufacture, cheap ocean transportation and cheap banking capital. She must be able to sell her Colonies all the goods they want in open rivalry with all other nations, to carry the goods to them and bring away their crops in like open rivalry and to lend them all the money they want, and give them as low credits as they want, and bear all the losses arising out of their insolvency as in the Argentine, if they do not pay, or as in the case of bankrupt Egypt to take forcible possession of their revenues. These superiorities are now in peril at every point. The factory system, and the most improved machinery for manufacturing, are going freely and largely to India, there to be handled by a race of great industry and manual dexterity and with whom extremely low wages are a nearly irreversable tradition. Japan has become a foremost naval power. Hence she will necessarily soon compete with England in cheap transportation. The United States are upon the verge of another sweeping Protectionist victory which when won will be likely to introduce the policies of restoration of the American Merchant Marine to the ocean by discriminating duties in favor of American shipping, of freer and sounder banking on the basis of specie redemption, and of reclaiming ocean commerce, through international enterprise. Japan, China and India will thus in the near future press upon England's monopoly of her colonial trade as Germany and France now do and the competition of the United States now temporarily dormant will increase again after a few years.

The *Times* points out that one half of the export trade of the United States viz £100,000,000 goes to England and that the whole seaborne trade of Great Britain with her own possessions in all parts of the world barely equals her trade with the United States. But this ostensible attack

upon Imperial Federation involves an admission in its favor which is of overwhelming force. If the comparatively small and detached colonies of Englishmen, containing not exceeding 15,000,000 of English-speaking people in all, bring to the mother country a commerce exceeding that of 66,000,000 of the English speaking race in the American Republic, then England may well inquire whether she cannot afford to do much to retain the very closest trade relations with her outlying colonial Empire. Apparently one person in her own possessions, in conjunction in India with the native population whom he controls, brings her more commerce than four in the United States, and this too notwithstanding all of them, except India, are trying to protect their home manufactures against British competition.

An Imperial Customs Union is as much the natural and logical prelude to the federation of the Empire of Great Britain, now, as it was to the Federation and Political Unity of the American Republic in 1776, of modern Germany under Liszt and the Hohenzollerns, of France under Colbert, and of Austria-Hungary under von Beust. Customs Unions are, in modern times, the organizing force which supersedes bayonets and race prejudices in cementing nationality and distributing and multiplying new centres of civilization. It would probably need to be accompanied, in the case of England, by a reconstruction of the two Houses of Parliament in such a manner as to place elected representatives of every British dependency in the House of Commons, and either elected or appointed Life Peers, Hereditary Peers or Native Hindoo Princes in the House of Lords. It would be a travesty on a Customs Union to give no vote to some fifty out of the fifty-five communities interested. Such a Union would be important to the human race through its tendency to disperse agricultural and even manufacturing centres throughout the colonial portion of the British Empire, and to restore British agriculture from the typhoid condition under which

it is dying out. Some duties on the importation of agricultural products from non-British countries would be necessary, but the rapid expansion of British and colonial agriculture would suffice to keep the prices of food in England from any serious rise. At present prices some rise is needed to make England a country we can afford to sell in.

There will be a tendency in the minds of many natural free traders to instantly abandon the fundamental principle of their sect by claiming that British duties on American agricultural products will depress their price in this country and build up Canada, India and Australia at the expense of the United States. If this is true it would form a sufficient reason why the British Parliament should lay them. Parliament has the duty to govern Great Britain for the benefit of Englishmen only and not of Americans. But to assert that legislation protective of the British farmer would have this effect upon the American farmer would imply that like legislation in America must have built up American manufactures to the profit of Americans and partly at the cost of their foreign competitors. Singularly enough the British mind is so afraid of sanctioning this principle where it will justify the American policy that it hardly dares apply it where it will promote Englishmen's profits.

The New Sociological Revival.

It is a constantly recurring phenomenon of history that societary evils evolve their own antidotes. The tyranny of English kings and the counter-ambitions of earls and barons brought forth Magna Charta and the parliament. The Puritan theocracy evolved Roger Williams and the doctrine of "Soul Liberty." American slavery was the progenitor of the moral fervor of the Abolitionists, the economic wisdom of early Republicanism, and the impetuous fanaticism of John Brown whose soul marched on in the invincible armies of Grant and Sherman, the Eman-

cipation Proclamation, and the final triumph at Appomattox.

Do we not see a similar phenomenon before our eyes at the present day? For a generation, Europe and America have been assailed by all sorts and conditions of social reformers : Fourierites, communists, co-operators, single-tax men, *laissez faire*, free traders and empirical protectionists, Bellamyites, socialists, anarchists, prohibitionists and populists, *et id omne genus*. "This do, and see the salvation of the Lord," has been the cry of each social prophet, as he has mounted the rostrum and paraded his particular nostrum for the admiration of his little band of followers. The judicious, perhaps, have grieved, the wise and conservative have shaken their heads in sorrow at the waste of human energy and sympathy, but the tide of the "isms" has rolled on, disintegrating parties, undermining religious creeds, hurling contempt at the existing social order, and generally waging a destructive warfare against the ills we have, and urging us in a myriad of discordant voices to flee to others that we know not of.

Happily at the same time, in little circles of thinking and intelligent people in different parts of the civilized world, a different movement has been gaining force and momentum—the spirit and method of modern scientific research—a movement toward unity rather than disorganization, toward liberty rather than coerced assent to patent theories of social reform, a movement of progressive conservatism, holding fast to that which is good in present achievement, but pressing onward ever toward the better and the ideal best. Whether it would or not, this movement of the scientific spirit could not avoid the consideration of the great problems which vex society in all civilized communities—the problems of poverty, of hygiene, of vice, of crime, of education, of purer politics, of more scientific economic teaching, of more rational and practical religious creed and effort, of a larger and fuller individual and social life.

Ranking all the "isms" and panaceas artificially invented for the salvation of society under the head of socialism, we may also designate the application of the scientific method to the study of societary problems by the general name of sociology. To-day, with socialism in the saddle in Europe, threatening the hard-won liberties of the people with extinction in the name of "greater opportunity for the masses," mounting the pulpit in the garb of Christianity and the rostrum in the ill-concealed personality of the political demagogue, to-day this movement brings forth its antidote in the New Sociological Revival. We press forward to the impending conflict of the *Logos* against the *Isms*.

It is to a few among the many evidences of this sociological revival in America that I wish to call attention. I note it first in such great popular educational movements as the Chautauqua Assembly and the Columbian Parliament of Religious and Scientific Congresses, where a large part of the time has been devoted to the discussion of sociological problems. In such popular assemblies the discussion is often crude and biased by theoretical preconceptions; but the effect is at least hopeful in its direction. The Institute of Christian Sociology is another of these tentative efforts toward scientific study of societary problems. It cannot proceed very far along scientific lines, however, without dropping the limitations of its "given name." Social services cannot be sectarian, even with the large measure of freedom connoted by the term "Christian." It must admit to equal fellowship Christian, heathen and free-thinker, Jew and Gentile, Buddhist, Hindoo, Confucian and Mohammedan, and submit all topics affecting man in his social relations to free criticism and thorough scientific investigation. It is hopeful, however, to discover a chair even of "Christian Sociology" in a Theological Seminary; and in a little syllabus of "Books for Beginners in the Study of Christian Sociology and Social Economics," compiled by Graham Taylor, Professor of Christian Sociol-

ogy in the Chicago Theological Seminary. I find the works of Spencer, Comte, Fiske, Ward, Maine, Westermarch, Starcke, Gunton, Gilman and others, some of whom could only be subsumed under the title "Christian" by an exceptionally broad interpretation of that word.

In the work of such organizations as the School of Practical Ethics which meets annually at Plymouth, Mass., we are "getting nearer the Emperor." Here the profoundest topics of social and economic import are treated scientifically, and by some of the ablest interpreters of social and economic science in our country. If I were to criticise this movement at all, it would be in that its methods are too pedagogical. With a presentation less authoritative and *ex cathedra*, and a broader opportunity for criticism and discussion according to the methods of scientific bodies, the outcome would be more satisfactory to the scientific student.

In the same line, and even more hopeful in their outlook because of their more permanent scope and closer approach to the minds of the coming citizens of the Republic, are the chairs of social and political science which our Universities and higher Academies are beginning to establish. This movement, originating, perhaps, at Johns Hopkins, and extending to Brown, Cornell, Harvard, Columbia, Bryn Mawr and many of our Western Colleges, to the Adelphi Academy in Brooklyn, and a few other advanced secondary schools, has already produced some splendid scholars and clear-headed expositors of social and political science—men like Andrews, Howard, McMaster, Fiske, Levermore, Ely and Warner. We may congratulate Columbia in particular on securing the services of Professor Giddings, whose excellent work at Bryn Mawr has made his name honorably known to all students of sociological science. His recently published *Hand-Book of Sociology* is a good introduction to this study for the student in the Academy and University, and in connection with Professors Small and Vincent's "Introduction to the

Study of Society," is a forerunner of other text-books which an intelligent public demand is sure to create.

The growing interest in the study of Civics in all our schools and colleges is also a most encouraging symptom. This constitutes an important and practical branch of Sociology, and if handled rationally and scientifically will prove an admirable corrective of the crude socialistic speculations which are to-day threatening the peace of society. It is safe to say that no intelligent person who has a good understanding of our civil institutions, of their gradual evolution, and the hard struggles by which our individual rights and liberties have been assured, would for an instant contemplate a reversal of these political tendencies at the bidding of socialistic schemers, no matter how brilliant and seductive may be their pictures of an ideal Commonwealth.

That pioneer in sociological work—the American Social Science Association—should by no means be slighted in this connection. Its Secretary, Mr. Frank B. Sanborn, has been the brains and motive power in this association, which has done good service in calling attention to the fact that there is a germinal science of society, and the proceedings of which show some able monographs upon the important topics discussed at its annual gatherings. The infrequency of its meetings, however, and its lack of a regular organ of communication with the public, has limited its field of usefulness within a comparatively narrow scope. Its quarter of a century of work has nevertheless been an inspiration and help to many students, statesmen and economists who have made the science of society the object of their investigations.

A somewhat remarkable commentary on the backwardness of intelligent people, even in the walks of science, to recognize the claims of this most important of all the sciences, appears in the fact that the most eminent scientific body in our land—The American Association for the Advancement of Science—has hitherto had no Department of Sociology or of Social Science. The Department of

Economical and Statistical Science, covering only a fraction of the vast field of sociological research, has been the nearest approach to this desideratum. Happily, on motion of Mr. James A. Skilton, at the recent meeting in Brooklyn, steps were taken under favorable auspices looking toward the establishment of such a department.

Our Brooklyn Young Men's Christian Association, too, has inaugurated a popular movement in the direction of sociological study in a series of lectures and discussions on Social Economic topics to be given under its auspices this Fall and Winter. With a commendable liberality its members have called to their aid careful students of the great social problems with no distinction of religious opinions. The list of lecturers comprises such names as Dr. Rossiter W. Raymond, Rev. Charles H. Eaton, D. D., of New York, Mr. Percival Chubb, Mr. Samuel Gompers, President of the American Federation of Labor, Mr. Alfred T. White, the able Superintendent of Public Works in the city of Brooklyn, and the President of the Brooklyn Ethical Association. While such discussions may not always proceed along strictly scientific lines, they are useful in turning public attention to the importance and practical utility of sociological investigations.

The first school devoted exclusively to sociological studies, in this country, if not in the world, is the School of Sociology under the care of the Society for Education Extension, of Hartford, Conn., whose prospectus is before me as I write. The aim of this school is the education of teachers of this science. Its plan of work seems thorough and every way admirable. It involves a course of study for three consecutive years, beginning with the collection, collation and investigation of facts, and mounting inductively to scientific generalizations and the application of sociological laws. If a public response warrants the continuance of the school beyond its first year, for which period its support is guaranteed, it is proposed to make the school a centre of investigation and original research, "gathering

material illustrative of past and present social conditions, with a view to the discovery of the underlying and formative laws producing the growth and the decay, the health and the disease of the social organism." Applied sociology is declared to be the goal of this institution. "It shall be our purpose," its founders affirm, "to carry out ascertained principles into society for the elevation of its aims and ideals, and for the right direction of its progress." Somewhat mistakenly, I believe, it limits matriculating students to persons possessing a college diploma or its equivalent. The obvious aim, to give a high and authoritative standing to the school, is laudable ; but inasmuch as this rule would shut out masters of the science like Herbert Spencer, Ricardo, Mill, Carey and Bastiat, and some of its ablest teachers in Europe and America, the rigid application of such a test would seem somewhat absurd and incongruous.

The curriculum for the first year in the School of Sociology embraces such topics as "Encyclopædia and Methodology of Sociology," "The Philosophy of Sociology," "The Evolution of the Family," "The Family, Legally Considered," "The Family, Theologically and Ethically Considered," "The Family as a Modern Problem," "Hereditry," "The Status of Woman, Historically and Scientifically Considered," "Domestic Economy," "Population," "Statistics," "Ethnology," "The Effect of Environment on the Social Structure," "The Community," "The Growth of Cities and Decline of the Country," "Institutions," "The Nation," "Social History," "Food, Historically and Scientifically Considered," "Shelter, Historically and Sanitarily Considered," "Dress, Historically and Scientifically Considered," "Sanitary Science," and "Sanitary Engineering." The course of the second year includes the discussion of the Spiritual Forces of Society, under appropriate sub-topics; the Competitive Forces; the Relational Forces and the Recuperative Forces. "The third year will be devoted to Sociology proper, and the fullest exposition of all the Determinations and Remedial

Forces, among which the phases of socialism are to be considered."

To one familiar with the work of the Brooklyn Ethical Association, a striking similarity of topics will be recognized, with the difference that the application of evolutionary principles has been more obvious and avowed in the work of the Ethical Association, and its desire to reach the public more directly by popular presentations and discussions has necessitated less thoroughness of treatment than that demanded by a permanent institution for the training of teachers such as the School of Sociology is intended to be. We may well congratulate ourselves on the excellent pioneer work which has already been done in the Ethical Association, and in such popular educational institutions as Professor Gunton's School of Social Economics. A great improvement in educational methods has unquestionably been inaugurated since this work of popular instruction and enlightenment was commenced, in the impetus to which these movements have doubtless taken an honorable part. Diligent labor in this direction is still demanded, never so much as to-day, for the extension and perpetuity of those liberties, and the institutions adapted to their maintenance, which have cost so much of thought and labor, of blood and strife and tears. May it be for America to lead the way toward a true scientific solution of societary problems—the only way which ultimates in permanent prosperity and peace.

LEWIS G. JANES.

Editorial Crucible.

THE INDICTMENT of Captain Doherty of the New York police along with five sergeants of police and two "wardmen" of Tammany Hall, is the beginning of the end. It indicates that such forces have been set at work that the Mill of Criminal justice must now proceed to grind out its convictions of officials, and send them to the penitentiary. The convictions will continue until the crime hunters find new game. Even this is far easier than to put good and true men in their places and keep them good and true.

The critical and destructive work of the Lexow Committee is being well done. But who will begin the constructive work of building up a good city government! When will men of established city reputations be seen sitting in the Board of Aldermen!

THE ENTHUSIASTIC reception accorded to McKinley in New Orleans by a gathering of thirteen thousand people most of whom had never heard a Protectionist speech before, is one of the really significant events in this campaign. After this unparalleled meeting we are told he held an almost inaccessible reception until after midnight. Then he went to West Virginia to practically repeat this exceptional and surprising experience. This is a significant piece of political "hand-writing on the wall." It means a shaking of the dry bones of the "solid south" in a way that the followers of Cleveland and Wilson little dreamed of. If West Virginia and Louisiana break loose from the solid column there will be hope of the political as well as the industrial regeneration of the South. To emancipate the South from that political despotism in which it has been so long held would almost be worth the disastrous experience of a Cleveland administration.

THE PLAINTIVE APPEAL of the New York *Sun* to Mr. Cleveland to come and help to save Hill and Tammany would be pathetic if it were not ridiculous. Why should

Mr. Cleveland help them or the *Sun*. They are all his deadly enemies. They tried to defeat his nomination and predicted his defeat at the polls and have done everything to thwart his administration. The claim that Hill is sacrificing himself for principle is the merest pretense. The whole fight is a squabble among disreputable politicians for the mastery. Mr. Cleveland knows that he has nothing to gain by helping Hill and Tammany, because he is himself politically dead and is only waiting for legal funeral. As for the Democratic party he is quite sure that he is all there is of it that is worth saving. It was he who resurrected it from the dead, and when he is shuffled off the political stage it also should depart. The defeat of Hill and the burial of Tammany are but the proper prelude to the final obscuration of Grover Cleveland.

BRADSTREETS thus ascribes our gold exports to our low rates of interest on money, owing to the large volume of money unemployed. It says: "When our railroad companies and other large borrowers can obtain money in New York at 3 per cent, or less, it is natural that obligations on less favorable terms maturing abroad will be paid off, and to this fact may be ascribed much of the strength of exchange and the unseasonable gold exports." As it is also true that much of our money will be idle at all times when much of our labor is idle, and many of our people are suffering, it naturally follows that the time selected by economic law to drain us of our gold is the time when we most need it to sustain the vast structure of internal credit by which our domestic commerce is carried on. At such times it is undoubtedly true that we are indebted to the presence among us of some form of currency which foreigners will not demand of us, for the ability to carry on our vast internal trade without a pinch.

WE HAVE JUST received the initial number of the *College Republican* monthly publication of American Republican College League. We congratulate the league on

the ambitious effort of issuing a monthly publication. It is to be hoped that the *College Republican* will justify its existence by bringing the spirit of scholarship into the discussion of political questions.

For years the influence of the colleges in politics has been distinctly Democratic (in the Cleveland sense), and distinctly un-American in their point of view and national influence, especially in the treatment of economic questions. There is no objection to college men being Republicans or Democrats but they should be first of all scholars and Americans. Much that passes for learning on economics and political subjects to-day is a travesty on real scholarship. The country is suffering from nothing so much as from the lack of a truly philosophic spirit in the treatment of its public problems.

WE HAVE OFTEN called attention to the seeming inability of the English to understand or correctly represent American affairs, but if the following, from the *Journal des Débats* (Paris), is at all representative, the dullness of the English is brightness itself compared with the French:

"The critical period in Mr. Cleveland's administration is passed, and the era of satisfaction begins. He has re-established order in the monetary system, he has finally solved the tariff problem and assured an equilibrium in the budget. From all over the land comes a concert of praise which ought to recompense this energetic statesman for his hard trials."

Although the writer of this is supposed to be living in America, he evidently has not heard of the Oregon, Vermont and Maine elections, or of the Democratic consternation in New York, the home of this "energetic statesman," where his policy has made the very name of Democracy offensive and insured the defeat of his party in November throughout the Republic. There never was a public man quite so bereft of friends as is Cleveland. Translated into French, an avalanche of defeat appears to mean "a concert of praise."

THE SPEECH OF THE HON. THOMAS B. REED in Cooper Institute was the deliverance of a statesman. It was on the same high plane as his great speech delivered in Congress in the close of the tariff debate. It was frank without being bold; serious without being ponderous; philosophic without being tedious. It had the true ring of patriotism without partisan gush, and the solid groundwork of an economist, without a tint of the doctrinaire. In his reference to protection he got at the economic evil of the whole thing in a few sentences, but those few sentences were so charged with true economic insight that they revealed an obvious back-ground of sound doctrine of national statemanship. He is one of the few men in this country who see the relation of protection to wages and of wages to national prosperity. Mr Reed is manifestly a statesman of first rank whose utterances the thinking Republicans, legislators and editors throughout the country will do well to study and follow.

THE COMING ELECTION in New York is the most significant political event of many years. It includes all the elements of national disaster, political corruption and dishonor, and municipal rottenness from which we are suffering. National dishonor and industrial disaster are represented by Mr. Cleveland. The political corruption—the stealing of election returns and the intimidation of voters, as exemplified in the conduct of Judge Maynard and McKane, are directly represented by Mr. Hill, and the debauchery of municipal government in the aiding and abetting of all forms of licentiousness and crime, as exposed by the Lexow Committee, are represented in the Democratic candidate for Mayor. In reality, the crimes and blunders in public life which have done so much to bring the name of our country into contempt, are all centred in the New York election. The defense of the good name of the Republic, regardless of party politics, demands that, whatever may occur elsewhere, in New York

State the Democratic party should have the seal of public indignation put upon it by an overwhelming defeat; and, unless all signs fail, that is what awaits it on the sixth of November.

WE CONGRATULATE the New York Journal of Commerce on having arrived at the conclusion that the remedy for our monetary evils must come through a reorganization of our Banking system which shall make banking a private enterprise. We have long contended that the solution of the silver and other monetary questions must be sought in this direction. The real point of the free silverites is not a question of ratio but a question of cheap money, that is, money obtainable at a low rate of interest. This is a question of banking rather than a question of coinage. If international bi-metalism would solve the question it is too far off to be worth talking about. It is like deferring the reform to the millenium; it may be first rate when it comes but it is likely never to come. Free silver at the present ratio would simply transfer us to a silver basis and is not to be considered. But, with a truly economic reorganization of our banking system on the principles suggested in the "Social Economist" for August (1894) we could have free silver, low interest in farming sections as well as in money centres, and a perfectly safe banking system. An additional advantage of this plan is that it could be adopted in America regardless of the rest of the world. We are glad to see the Journal of Commerce get into line on sound banking, and the sooner the great political papers will do the same the better it will be for the country. To take banking out of politics would be a real advance in National statesmanship.

MAYOR GILROY HAS just interviewed himself at great length in order to give Tammany a clean bill of health. According to the Mayor's solemn statement, Tammany administration of New York City is more efficient, economi-

cal, patriotic and public spirited than is the government of any large city in the world. It will be remembered that a few weeks ago he was interviewed on his return from Europe and then declared that New York streets were cleaner and in a better condition than the streets of London or Paris. The Mayor seems to be acting on the principle that "One might as well be hung for stealing a sheep as a lamb," and since lying is necessary he might as well do it wholesale.

Such a disgraceful sight as can be seen every day on East Houston Street and the neighboring streets traveled by the Green Cross-Town car is not to be found in any other city. Some days ago we rode in the Green Car and in a few short blocks we saw two dead cats, one dead dog, the remains of several hens and probably twenty cart loads of refuse in heaps along the gutters. On the return trip we passed through streets that were blocked on both sides of the car tracks so completely with trucks and wagons that it would be impossible for a vehicle to pass. In short, the street was reduced to the capacity of a narrow alley. Seventh Avenue is another monument to Mayor Gilroy's unvaracity. The Mayor's testimony regarding the good condition of New York streets is very much like the statement of Governor Flower in vetoing the appropriation for the Lexow Committee "that the investigation was unnecessary as New York was the best governed city in the country."

IN AN EDITORIAL discussing the variation in the value of gold and silver the "New York Press" assumes that the change is all due to the rise in gold and says "It is clear that if for example the law should forbid wool to be used for clothing, the price of cotton would at once advance." Now, this is by no means a safe assumption. Such a result might or might not occur. What would occur in that case would be that very much more cotton would be manufactured and whether the price of cotton would advance would depend upon whether the extension of cotton manufacture

tended in any way to increase the cost of production of cotton. If factories could be duplicated without increasing the cost of production there is no reason for assuming that cotton would advance in price. We fear the "Press" is trying to use the worn out English hypothesis that prices are governed by "Demand and Supply" instead of by the cost of production. This has led many a good man wrong. It may or may not be true that the variation between the two metals consists in a rise in value of gold rather than in a fall in the value of silver, but the fact cannot be established by any such *a priori* supply and demand assumption as is employed by the "Press." Whether the change in the value is in the gold or in the silver is referable to the cost of production and not to the relative quantity of either as compared with the other. The world would supply twenty times as much cotton cloth as there is now cotton, wool, silk and all, other fabrics put together without advancing the price at all if it could be supplied at as low cost per unit as at present. The truth is that the price of cottons has steadily fallen though the demand for it has increased for more than half a century, and all because the cost of production has been reduced—silver and gold like iron, copper, coal and all other products are subject to the same law.

THE U. S. CIRCUIT COURT OF APPEALS for the Seventh Circuit (Judges Harlan, Wood and Bunn) has rendered a decision on an injunction restraining Arthur and others, Chief of the Brotherhood of Locomotive Engineers, from ordering a strike. The Court holds that any clause in an injunction restraining strikes generally would be improper, as men have the right to "strike," if by that term is meant the mere general and simultaneous quitting of a railway company's employment. But if it is represented that unless the restraining power of the Court is exerted the dissatisfied employees would physically disable and render unfit for use the cars and other property of the company, and

by force, threats and intimidation would prevent the Receivers from operating their road, then an injunction would lie, and a motion to strike out from the injunction a clause restraining the discharged employees from crippling and disabling the property of the company would be denied.

Simultaneously with this decision a decision was elsewhere rendered in the Toledo and Ann Arbor Railway case affirming the prior judgment of Judge Taft fining a workingman \$50 for contempt for quitting work at the end of one run or trip, and before he had begun another. The case before Harlan also doubtless arises on an employment by the trip or run, as this mode of employment is practically universal among railway employees. This fact, however, is practically ignored in the statement of facts in the opinion. Nor is there any language in his opinion indicating that the orders of the Brotherhood of Locomotive Engineers, as sent out by Chief Arthur, required any of the men to quit work in the midst of a run or trip, or that the company feared that such would be the effect of their orders.

The principle of law which admits of being evolved from these two obscure and not very harmonious decisions is that men working at piece-work for a Railway, have a nominal right by preconcerted action to agree together in large numbers, to quit when their piece ends, provided no injunction has been issued restraining them from so doing. But such an injunction will always be issued where the company fears that if not issued the persons so quitting will physically destroy its property. Stated in these bald and naked terms this doctrine is not very logical. It means that the rights of the people exist until they are destroyed; by an injunction from a court. Sooner or later something better than this will have to be declared as the law.

With decisions like these, the popularity of Debs increases, workingmen in large numbers vote the Populist ticket, and Republican managers and Democratic bosses find it hard to comprehend why.

IN COMMENTING UPON the last issue of the SOCIAL ECONOMIST the *Boston Herald* remarks:

"The new plan of publishing the chief articles in this magazine as editorial matter is to be commended. It gives them an independence and a freedom of utterance which increases their value. It is not necessary for one to agree with what is here said in order to be instructed by it. The writer of these articles is very sure of his own opinions, They stand out distinctly on every page and give the magazine a character of its own. The one-sidedness of this magazine is noticeable. All is not grist which comes to its mill, but one always knows where to find the editor, and he never stands on both sides of a subject."

We accept the above as a correct diagnosis of our case. We fully appreciate the favorable opinion of the *Boston Herald* and to its quasi indictment of one-sidedness we plead guilty. People who know their subject thoroughly are always one-sided in their opinions.

It is only those who are not sufficiently informed to have a well fortified opinion who hover on all sides of a question. So called all-sidedness may seem broad but it is always shallow. There are subjects upon which the *Herald* holds very definite views and upon these it is very one-sided. On free silver, untaxed raw materials, and civil service reform for instance, it is always on one side. But on questions like woman suffrage, restriction of immigration, the final limit of the workingday, or how to civilize the south up to the level of northern wages, it will talk on many sides and in a more uncertain way. But this is not because it is fairer and more philosophical on these topics, but because it is less sure of its own position, less competent to form a correct opinion. The SOCIAL ECONOMIST is one-sided in its opinions because it is all-sided in its investigations. It is because "all is not grist that comes to its mill" that "it never stands on both sides of a subject." It has no use for the fence as a forum, because it does not discuss subjects upon which it has not well fortified convictions, and these it frankly expresses. This may not be the most popular way of conducting a publication but it is at least the way to have intelligent and honest discussion of

public questions. The SOCIAL ECONOMIST stands for a distinct body of economic doctrines. It owes no allegiance to any political party. Its political creed is that the only rational politics are applied economics. It holds that the whole societary movement depends upon the industrial condition of the masses. The real measure of national welfare is the laborer's standard of living, the infallible indicator of which is "wages." This is our criterion for judging all public men, movements or measures. Republicans, Democrats, Populists, Socialists, Single Taxers or Trade Unionists have no significance to us except as they represent a policy that, favorably or otherwise, affects the wage condition of the masses. All abstract theories about equality, freedom of commerce, burdens of taxation, free raw material and paternalism, are to us mere empty sounds except as they tend directly or indirectly to affect the standard of living and the wage earning power of the masses. That is our side of every public question, because that is the only side that makes for permanent national prosperity and social advance.

Economics in the Magazines.

Under this head we call attention only to the articles, in the current magazines, on social economic questions, giving the point of view or method of treatment and other items that will serve as a guide for readers and students.

BIMETALLISM.—*Imaginative Currency Statistics* by J. Barr Robertson, in *The Fortnightly Review* of September. This article reviews critically Mr. Mulhall's monometallic argument in *The Contemporary Review* for June entitled "Bimetallists at the Mansion House." Mr. Mulhall had asserted that four monetary principles of the bimetallists are "contrary to the teaching of the best known English Economists" and Mr. Robertson asserts that they are in harmony with the views of all of them. These four points are (1) "That the general level of prices depends on the quantity of money," in behalf of which Mr. Robertson incidentally posits as a fact too well known to require proof, the assertion that (p. 431) "The contraction of the currencies and the fall in general prices which have taken place in the gold countries, are in no wise to be found in the silver and paper money countries." (We had thought Argentine, both a silver and paper money country, and that a fall had occurred there.) (2) That the demonetization of silver has caused a general scarcity and fall of prices; (Query. Why should it, if the quantity of standard silver coined, has been \$1,300,000,000 in the decade from 1883 to 1893)? (3) that the fall of prices is injurious to mankind. (A fall in prices of labor is injurious to mankind, but generally a fall in manufactured goods has been hailed with delight.) (4) That it is expedient to adopt the double standard by placing gold and silver on the same footing. Mr. Robertson says, "Every Professor of Political Economy in Great Britain accepts the principle of the double standard, which involves the maintenance of a fixed ratio between gold and silver. (Very true. But do they ask Great Britain

to give free coinage to silver, and pay out her gold for the silver of other nations)? The statistical argument involved in the article, is made with considerable ability, but its economic assumptions are less satisfactory.

It does not meet the problem in applied economics. Will one modern nation profit sufficiently through the supposed stimulus which the coinage of silver gives to prices, to its export trade or to domestic production, to pay for the loss it will incur in giving gold coin in exchange for silver coin in unlimited quantities at a time when bullion value of gold is twice that of silver, at their usual ratio of 16 to 1? This is the problem to speak to!

BIMETALLISM.—*The Mechanics of Bimetallism*, by Irving Fisher in *The Economic Journal* for September.—The writer attempts, by means of diagrams representing water in separate receptacles which communicate, to make clearer, the fluidity of the two money metals and their influence on the quantity and value of both metals which will be used in the arts and as money. The writer believes that the bimetallic level (of prices and values) always lies between the levels which the two metals would have assumed under gold monometallism or under silver monometallism, and that the steadying power of bimetallism remains in full force no matter what be the proportions of gold and silver money, and is as great when only one nation is bimetallic as when the whole world adopts the system. But if the Sues view of the future production of gold and silver is correct, and silver becomes permanently the cheaper metal, bimetallism would prove a vehicle for carrying us over from gold to silver monometallism.

LUXURY.—*By Prof. Henry Sidgwick* (of Cambridge) in *International Journal of Ethics*, October. A discussion of the ethical aspects of luxury, flavored by a strong predisposition to regard it as sinful. The paper reveals the fact that the economic grounds on which luxury is defensible seem not to have reached the atmosphere of Cambridge

University. These are that luxurious living is the only means whereby those who have more income than they know how to employ profitably in industry or charity can disperse it with positive advantage to themselves and others, and that luxurious living carries relief to a more distant, precariously supported, and economically deserving class than charity or industry, and is more useful socially because more consistent with the self-respect of those who receive its aid than charity. The necessities of life, grain, meats, shelter and clothing, are generally produced at a definite rate by people who do not suffer for lack of these same necessities. Luxuries, however, whether fine laces, diamonds, gems, furs, ermines, pearls, ostrich feathers and plumes, fine wines, paintings, silks, cashmeres, Persian rugs, astrakhans, Shetland ponies, teas, coffees, aromatic woods, spices, rich colored birds, rare singing birds, all ebony and ivory, tropical fruits, palms and bright hued shells and fishes, with thousands of others suggest, as their habitat of production or preparation, either the wilds of barbaric mountains, the depths of tropic seas and groves, the icebound coasts of the polar zones, the garrets of the obscure poor in large cities, the slow and torpid sluggishness of asiatic lethargy or some other environment where the societary movement is nearly at a halt and labor is poorly paid. Hence luxury bears the same relation to industry and charity as a grooved rifle does to a smooth bore. It sends the ball of relief further and to a more needy class.

SOCIALISM.—*The Arena* for October. In its first article Henry D. Lloyd, of Chicago, is pronounced a social reformer because he spends a life of literary leisure in denouncing the methods by which labor is employed and profits made in industry; "Plutocracy's Bastiles" is the title of an article which inculcates the doctrine that our American militia is an instrument of plutocratic rule of the capitalists over the laborers, forgetting that each member of the militia force is a "laborer," and each business

man who subscribes to erect an armory is pretty likely to have done far more useful work than most of the class who either fear or detest a national militia. The symposium on "The Land Question" indicates that the number is still very great of persons who mistake general biliousness for the reform of society. The single tax vagary remains alive for want of a definition and a plan for putting it into practise. If it were once so clearly defined that any body could tell what it means it would die. If, for instance, it were defined as a tax on land itself, *i. e.*, collectible by a sale of the land, Henry George himself would repudiate it, since the sale of the land would necessarily carry with it the improvements and Mr. George wishes to believe the land can be taxed without taxing the improvement. If, on the other hand, it is defined as a tax on the values of land, or as Mr. George says, on economic rent it must be collected from the landlord or owner only, without selling for its collection either the land or its improvements. But as economic rent is paid largely in proportion to the value of the improvements, if both the land and the improvements are exempted from sale under the collecting process, then the writ for collecting the tax, must run either against the owner and order the sale of his goods, or against the occupant, for the sale of his goods. If it runs against the occupant and sells his goods it will be like the English rates, which are almost universally held to be a tax on the tenant only and not on the owner at all, except as it becomes a deduction from the general profits of capital. If it runs against the owner and sells his goods, then it becomes in fact a tax on the owner's goods, graduated in amount by the value of the land he owns. If he owned ever so much land and no goods the tax could not be collected. Now that the single tax vagary has been discussed for twenty years is it not about time some body should define the true incidence of the tax itself, by informing us how it is to be collected? Until this is known nobody can be sure that it would be a tax.

VALUE.—*Theory of International Value, Part II.*, by Prof. F. Y. Edgeworth, in *The Economic Journal* (British Economic Association) for September. This article is a sample of the capacity of the metaphysical school of economists to render their ideas incomprehensible and impenetrable by first founding commerce on an intangible theory of relative pleasures and pains, and then by constructing curves to represent England's supply and demand, tangents for Germany's satiety, arcs for France's indifference, and hyperbolas for Italy's competition, and basing on these a mass of algebraic problems, which would be just as applicable to the treatment of the relative success of the Salvation Army as compared with the established church in converting sinners, or to the movements of the catcher and the first base in a game of base-ball. The church nearly died of this sort of "Duns Scotus" paresis in the middle ages and British political economy needs to throw off the entire metaphysico-mathematical school of economists, by stopping their salaries and sending them to the pillory if that is sufficient to suppress them and if not by hanging them outright. Their writings sustain the same relation to really scientific political economy as the elaborate and equally mathematical calculations in Ptolemy's *Almagest* do to modern astronomy. They have simply got to die in order that their legitimate successor may take their place and exist. There is no such fact, to begin with, as international values and hence no such problem as how they are caused, any more than there was ever such a fact as an influence by the planet Venus to promote Love, or of Mars to promote war, or Saturn ill will. No value in any commodity was ever due to the fact that it existed under one government or another. Hay was reported in 1893 by the London Times as being worth \$45 a ton in London and only ten dollars per ton in the west of Ireland. A part of the cause of this wide difference in prices was that the withdrawal of protection to the British coasting trade had resulted in the removal of the small English craft, which half a century

ago would have carried cargoes more regularly between western Ireland and the English ports, and the repeal of protection to Irish manufactures by the act of Union in 1800 had demolished the homemarket and left little worth transporting. Meanwhile the political economists of England have been trying to solve questions of value by logarithmic and algebraic metaphysic instead of by such a system of applied economics as would give good roads and abundant coasting craft to Ireland, and would have preserved the considerable manufactures she had in 1800, which by giving her coasting vessels a good deal of other things to carry, would have supplied the means of carrying her hay also. Such a policy would raise the price of her hay to at least half the London price instead of leaving it at less than a quarter.

WOOL.—*A Century of American Wool Manufacture*, by S. N. D. North, in *The Bulletin of the National Association of Wool Manufacturers* for September. This article carries the History of the American Wool and Woollen Industries down only to the year 1830, leaving the most modern and important chapters of that history, and especially the portion since 1860 still to be written. This unwritten portion would expand into fully nine-tenths of any comprehensive history of a century. The American Association of Wool Manufacturers contains many men of enterprise and public spirit, who could well afford to see that such a work be ably and impartially written and sumptuously published. It would necessarily involve a history of the evolution of the modern sheep, and of the merits of various climates, pastures, and breeds, and their effects on the fibre, of the loom, of the factory and of the arts of dying, not merely in the United States but in all parts of the world, and of the course of legislation, of labor organizations, inventions, and changes of fashion and treatment, concerning the textile industries generally, and of the share which legislation has had in financing wool and woollen production.

Among the Books.

Social Peace. A Study of the Trade Union Movement in England.

By Dr. G. VON SCHULZE-GAEVERNITZ, and translated and edited by GRAHAM WALLAS, M.A., Oxford. Imported by Charles Scribner's Sons. Price, \$1.25.

This affords as good a manual for the study of the labor movement in England as exists or is likely soon to be produced. It makes clear the fact that labor power when measured per unit of product tends toward essentially the same price, with the advantage if any, in cheapness of price per unit in those localities and conditions where the highest per diem wage rate is paid.

Dr. Gaevernitz is also of the opinion that it is high rates of wages which force the adoption of improved labor-saving machinery instead of the introduction of improved machinery causing the rise in wages. He sees no lack of practicability in arbitrations to fix future rates of wages between employers and employees. He says p. 192 "The arbitrator is in the same position as any other umpire who is called in to fix prices between two independent parties, and has simply to find out what the price would naturally have tended to become if he had not been called in." Arbitrations to fix prices between independent buyers and sellers of commodities have not, that we are aware of, been much resorted to, except in the case of judicial rents in Ireland. Dr. Gaevernitz's history of Trade Union movements in England is minute, circumstantial and inspired by the most painstaking and scientific spirit.

Tools and the Man. Property and Industry under the Christian Law. By WASHINGTON GLADDEN. 308 p. Houghton, Mifflin & Co.

Mr. Gladden's work is an effort to prove that Christian ethics and teachings, if rightly understood and adopted, would solve the social problem. Mr. Gladden does not clearly indicate what we are to accept as being true Christian Ethics. It is neither Puritanism nor the Pope, nor the Communism of the Apostolic times, nor the general doctrine of give all you have to the poor, the Church and the Bishop, preached by St. Augustine and Chrysostum.

Mr. Gladden does not discuss economically the relation which capital (tools) bears to rates of wages though his title affords the greatest possible provocation to do so. Nor does he develop the economic advantages to society from the private ownership of land or from large aggregations of capital. Indeed there is nothing in his

book that could be called economic discussion, or that could not have been derived from newspaper reading and side-walk thinking. No class of the community have a better opportunity to make a good use of economic science, if they possessed any knowledge of it, than Preachers. With few exceptions however they generally help to make the muddle worse by their predisposing tendencies to disparage profit-making as an ignoble incident of life, and to exalt indiscriminate giving as the chief end of man. It must be admitted that the view taken of the causes of social progress, by the Economists, differs as radically from the most superficial view taken by the preachers as the conclusions of modern science upon any physical question differ from that, which a century ago would have been assumed, in the less informed communities, to be the bible view.

Political Economy, in some of its phases, results in deducing a theory of social welfare founded upon the pursuit by each individual of his own material interest primarily, which comes into antagonism with some of the more altruistic teachings of many religionists. Yet Political Economy studies the evolution of the Altruistic sentiments, and the many altruistic effects of selfish effort with a patience, which can not fail in due time to give society a more healthful estimate of all its workings.

History of Taxation in Vermont. By FREDERICK WOOD, Ph., D.
Columbia College, New York. 128 pp.

Dr. Wood opens with a brief sketch of the severance of Vermont from New Hampshire and New York, and of the institution of her system of taxation, copied about equally from those of Pennsylvania and Connecticut. The system from the first combined the elements of a tax on "the polls," nearly every adult lay person being rated at £6. in property, as the basis of the equal poll tax. Next came the property taxes upon land, cattle and goods in sight, a "faculty" tax on lawyers, according to their earnings, and on tradesmen and mills according to their gross returns. The drastic measure for enforcing full returns of property by the owners consisted in empowering the listers to assess all overlooked and unlisted property at fourfold its value. It was not until 1822, that farming lands were rated at their estimated value instead of at fixed valuations per acre. In 1841, a general change was made to the appraisal (taxation) of all property listed real and personal at one per cent. of its estimated value. Houses for public worship, school houses and bridges were built at

first, (1781) by the same general land tax of two pence per acre. Little use seems to have been made of license fees, though (from 1798 to 1852 when prohibition was adopted) licenses to innkeepers formed a share of the revenue of counties. Since 1852, no revenue has been derived from this source. With the year 1882, a policy of taxing corporations was adopted which by 1890 became the most important source of State revenue.

The author thinks that the next change in methods of taxation will lie in the adoption of taxes on inheritance in imitation of the collateral inheritance taxes of New York and Pennsylvania.

The Sphere of the State—or The People as a Body-politic. By FRANK SARGENT HOFFMAN, A. M. (Union College.) 275 pp. G. P. Putnam's Sons.

These are College Lectures in form, and not a Treatise. He re whatever authorities are relied upon come into the text. Moreover, whatever the writer says is said as a Professor would say it to his pupils, as final and decisive. Such a mode of treatment shuts out often an imposing or even a fair statement of all the many counter-propositions which have stood in other minds for basic truths but with which the lecturer does not agree.

Often, too, another explanation than that urged by the lecturer may exist for the fact he cites. Thus on p. 61, he attributes an increase in the average length of human life in New York City, from 30 years in 1865 to 40 years in 1890 to legislation prescribing the "sanitary standard of the homes, landlords must provide for their tenants and tenants must pay for, if they are to be allowed to live in them." The "Sanitary Standard" unfortunately was in the main limited to the new homes being built, and left the old rookeries without demolition, so that as many dilapidated habitations are probably open to tenants in New York as the pecuniary interests of landlords permits them to maintain. So far as any real improvement in quality of shelter has arisen it has been through the more diffused general comfort existing in the period from 1865 to 1890, in consequence of the greater prosperity of industries generally than existed in the previous period at least from 1834 to 1860.

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SOCIAL ECONOMIST

DECEMBER, 1894

The Lesson of the Election.

The general election which took place on November 6, was unquestionably a surprise to every one. From the by-elections of 1893 and those of a few months previously in Vermont and Maine, the Republicans had a right to expect success but the most sanguine among them never dreamed of such unparalleled majorities. On the other hand well-informed Democrats were afraid defeat was awaiting them but it never entered the minds of their most pessimistic prophets that they were to meet such a universal Waterloo.

Since the elections the administration journals throughout the country have been chiefly occupied in explaining how it all occurred. Every faction in the Democratic party (and they are many) struggles to charge the responsibility of the defeat to the failure of the party to follow its particular lead. The free traders think it is because the new tariff law has too much protection in it. The silverites think it was because Congress was opposed to free silver. Hill thinks it was because of the income tax. Wilson thinks it was chiefly due to local causes in the different states. The *New York Sun* thinks it is because the Democrats were not true to their "tariff for revenue only" pledge as interpreted by the *New York Sun* itself. Of course, there were many local causes which contributed to the general result as is always the case, but the universality of the result shows that a common cause ran through the elections of the entire country which was national in its character. The corruptions of Tammany regime in New York City and the political brigandage of the Hill-May-

nard-Sheehan ring in Albany contributed to swell the force against Democratic rule in the Empire State, but there was neither Tammany nor Maynardism in West Virginia and Missouri, Tennessee, Indiana, Michigan, Iowa or Ohio, yet the Waterloo was as great there as in New York.

The defeat cannot be attributed to free silver because the flood tide was as high in the New England and Northern anti-silver states as in the Western free silver states. It could not be the income tax because Hill, the greatest enemy of the income tax, was buried by as great a majority as were any of its advocates. The claim that it was because the new tariff bill was not near enough a free trade measure is too absurd to be taken seriously. The facts are too obvious to admit of such an opinion being honestly entertained. If there was any ground for such a claim surely a few of the most prominent free trade advocates would have been spared, but they appear to have been especially selected for sacrifice. Tom Johnson, Bynum, Springer and Wilson, the father of the bill, are conspicuous among the defeated. The fact that Mr. Wilson was the pet of the President, the idol of the House, the representative of a Southern constituency and was vigorously backed in his district by the influence, oratory and money of the administration, could not save him. And as if to emphasize their vote of censure, the people of West Virginia not only defeated Mr. Wilson by a majority twice as large as that by which he was elected, but they defeated all the other Congressmen in the State who followed his lead.

An impartial review of the situation shows that it was a national election. The issue upon which the people voted was the competency, character and policy of the National Government—a vote of condemnation of Mr. Cleveland's administration. Local causes in the different states aided only when they worked against the administration party. As Mayor Gilroy remarked, the Republicans could probably have carried New York City this year single

handed, not because there are more Republicans in New York City but because the tide had set in against Democratic rule and only those forces were potent which assisted the tide. Even the quality of candidates and platform declarations were of little account except as they added force to this movement.

Mr. Cleveland's administration has become famous for its capacity to blunder. It appears to have a genius for getting on the wrong side of every public question, but the blunder that towers conspicuously above all the rest, is its tariff policy and it was against this that the people voted. Of course, the Hawaii, income tax and other mistakes contributed to the result, but the tariff blunder was made the chief object of condemnation because its destructive fangs had entered the very life of the whole nation. There is no section, no industry, no class and no party that has escaped its disastrous effects. Capitalists have lost their profits, land-owners their rent, laborers their wages, merchants their trade, so that every citizen, except salaried office-holders, has shared in the disaster.

Nor is it surprising that Mr. Cleveland and his immediate advisors should be held mainly responsible for this national adversity. He, under the influence of a few literary free traders, forced upon his party the free trade issue in his famous 6th of December message (1887). By the dint of much representation and specious theorizing against the integrity of American business men, the confidence of farmers and wage-workers in a protective policy was considerably shaken and in 1892 Mr. Cleveland and a Democratic house were elected on the issue of tariff reform.

Although the majorities by which the tariff reform congressmen were elected were very small, the majority in Congress was very large, and, therefore gave the administration reasonable warrant to deal with the subject. The people had been made to believe that wages would be higher, prices lower and prosperity more

permanent if the tariff reform ideas advocated by Mr. Cleveland and his following were carried out. Very few of the voters of that year had witnessed any of the previous tariff tinkering and, therefore, had a realizing sense of what the immediate consequence of this policy would be. But as soon as the results of the election were definitely known the economic effects began to appear. Distrust, fear, uncertainty and all the conditions leading to industrial demoralization at once set in and as soon as the administration was installed and the new Congress convened the country was in the throes of a financial panic and a state of industrial depression unparalleled in our history.

Before the first year had expired after Mr. Cleveland's election, and eight months after his inauguration the American people had realized their mistake, not that they had become especially more intelligent upon the tariff and silver questions but they had a vivid realizing sense of the fact that they were not getting, and were not likely to get from the new tariff reform the admirable or beneficial effect that had been promised. On the contrary, they had a most painful knowledge that depression, disaster and despair increased as the months passed by. This brought a sudden change of opinion which they were not slow to announce. In mass meetings throughout the country, business men and laborers appealed to the administration to stay its hand, but all in vain. In the fall of 1893, this change of opinion was further emphasized in every state that had an election by giving immense majorities against the administration candidates. Yet to all this Mr. Cleveland and his advisers turned a deaf ear and, as if to show his contempt for the changed national sentiment, public hearings on the tariff bill were suppressed. This manifest contempt of the pronounced expression of public opinion in 1893 against the proposed tariff policy made the pretended deference to the so-called mandate for tariff reform in 1892 look like an empty farce.

In addition to all this, through the unfair treatment of

certain industries in the new tariff bill, the private trading on the nation's disaster in administration circles and corrupt deals with the sugar trust and other secret speculations, the people became thoroughly disgusted with the administration and lost confidence in the Democratic party.

Thus a careful examination of the facts surrounding the election clearly shows that the real animus of the unprecedented Republican majorities throughout the country is a vote of condemnation of the Cleveland administration for its tariff policy. The one fact the election establishes beyond all question is that right or wrong, wise or unwise, the American people will not, at present, tolerate any attempt to abolish our protective system. This is the lesson the election contains for those who have insisted upon thrusting a free trade policy upon the United States, and if the Democratic party disregard this lesson it must pay the penalty by a permanent exclusion from office.

The election also contains a no less significant lesson for Republicans. Should the Republican party so far mistake the true meaning of the election as to imagine that its triumphant return to power only means that the people have penitently and unconditionally returned to the Republican fold, it may expect a similar fate.

We are entering upon a new generation with new interests to serve and new problems to solve. If the Republican party hopes for a new lease of power, it must take a great step forward both in point of view and in method of treating great industrial and financial questions. It must definitely advance to the plane of treating public questions in a more economic and scientific spirit. Scientific statesmanship must not be subordinate to party success.

Prominent among the questions which the new Congress will be called upon to solve are the currency, tariff, immigration and labor problems. All these issues are vital to the prosperity and life of the nation. They are not phrases to conjure with but new social problems demanding original and constructive treatment. The party that

shall successfully solve these difficulties will have the helm for the next quarter of a century. Will the Republicans be equal to the emergency?

The first question on the list will probably be the currency. The new Congress should approach this question with the same courage and thoroughness that it would if backed by a majority in the Senate and a Statesman in the White House. It should attempt no tinkering makeshift. It should proceed as quickly as practicable to such a thorough reorganization of our monetary and banking system as shall give us (1) An elastic currency that can supply money to remote farmers at as low a rate of interest as to city capitalists. (2) Complete coin redemption with as free a use of silver as of gold. (3) The retirement of Government greenbacks, removing the monetary system out of politics and placing it upon a truly business basis.

Whether the tariff as a whole will press for revision awaits observation. But the key-note of the election is that the protective system shall be maintained. When this function can be better performed by a newly modelled law than by the present, or any heretofore enacted, a revision will be resorted to in the interest of a more scientific solution and a more comprehensive plan.

Tariffs must not be levied to suit special manufacturers under the threat of political defeat. Tariff legislation must rest on the strictly economic principle of securing home producers from being at a competitive disadvantage with lower wage countries. The difference in labor cost here and abroad must be made the datum line in tariff legislation. If honestly applied, this will, for the first time, put national industrial protection upon a scientific foundation and prepare the way for its ultimate removal from politics.

Specific and direct protection should be extended to wage receivers besides the indirect benefits they receive through tariff protection to the industries and occupations in which they are employed.

In order to extend the economic principle of our protective system to the wage-workers, two other measures are necessary.

First: The establishment of a system of restriction on immigration which shall so adjust the immigration to this country as to secure American wage-workers against the drag-down social influences as well as the industrial competition of the poorest-type of foreign laborers.

Second: The establishment of a national system of labor insurance which shall secure American wage-workers against the terrors of pauperism in old age.

These two measures will afford the same direct protection to wage-workers individually that the tariff on commodities does to the industries or occupations in which they are employed. If the Republican party will earnestly attempt to deal with these questions in the spirit of true statesmanship it will make a substantial contribution toward solving the labor question in this country, in accordance with the spirit and methods of republican institutions.

The Baltimore Plan.

The "Baltimore plan," as it is called, of currency reform, agrees with the suggestion heretofore made in the SOCIAL ECONOMIST, that the "greenback" notes of the Government now circulating as currency be retired from circulation, but disagrees with the SOCIAL ECONOMIST in failing to recommend such a confederation of banks, or such a Federal Bank, as would be competent to retire these notes from circulation by issuing their or its own notes in their place.

In advising that the greenback notes be retired, while failing to show by whom they are to be retired, the Baltimore plan may be assumed to mean that they shall be "paid off" by the Government issuing coin in their stead, a movement which strikes three snags at the outset, viz.:

1. The Government is necessarily in the market as a buyer and not as a seller of coin. It has no gold coin to pay off the greenbacks with, and no machinery at work which will bring such gold coin into its possession, and their payment in silver coin is not within the possible purview of the Baltimore plan.

2. The experience of the effects upon the money market of Secretary McCulloch's efforts during Andrew Johnson's administration in 1867-8, to retire the greenbacks by paying them off and burning them, demonstrates that such an act would be equivalent to so sharp a contraction of the currency, as would, now as then, send a crisis through the credit institutions of the country which would cause Congress, before any considerable progress has been made in the work of contraction, peremptorily to forbid it to be pressed any further.

3. In saying that the greenbacks ought to be retired and bank notes to take their place, without furnishing any new mechanism by which, or mode in which this is to be done, save one which was tried a quarter of a century ago and signally failed, the Baltimore plan seems open to the objection at the outset that the wreck of its exact plan lies already sunk in its pathway, with all the rocks on which it sank plainly in sight.

The SOCIAL ECONOMIST in its issue of October, 1893, endeavored to steer clear of the "contraction" rock on which Hugh McCulloch's plan of retiring the greenback notes had gone to Davy Jones's locker, by providing that the banks of the country *en masse*, should in their associated strength assume the task of redeeming the greenbacks, and issuing their own notes in place of them—a plan which the banks could well afford since the notes they would issue would be their own costless notes, and the coin with which they would purchase the greenbacks for retirement, is now in their vaults and would return to them on deposit as soon as the purchase had been made. The undertaking would be less heroic than that for which the second bank of the

United States was formed in 1816, viz.: to redeem in its own coin the notes of all the State banks then existing, several hundred in number, at a time when the notes of the New York State banks were from 5 to 7 per cent. below par, those of Pennsylvania were fifteen per cent. below par, and those of Baltimore and of the United States Treasury were from 18 to 20 and in some cases 25 per cent. below par. This result had been fully accomplished in 1819, and every note of the various State banks and of the Federal Treasury was thus brought to par by a single banking institution, four-fifths of whose stock was owned by private stockholders.

If the Baltimore plan had favored the country with some suggestion of the means whereby the government is to get the gold wherewith to buy in the \$346,681,016 in greenbacks now issued, or at least the \$267,283,481 of it not now in the Treasury, the explanation would have been more absolutely germane to its plan than its somewhat irrelevant argument as to the cost of the silver policy required by Congress since 1878.

It is not merely the Silverites, or the silver question, that stands in the way of the Baltimore recommendation that the greenbacks be retired. It is the fact that that recommendation in the naked form in which it is now revived, was attempted to be acted upon twenty-five years ago and through experience of its cataclysmic effects was peremptorily stopped under the orders of a congress essentially identical with that which had authorized the experiment to be tried.

The "Baltimore plan" suggests as to circulating notes that the requirement of a deposit of \$100 in United States bonds in the Treasury for every \$90 of bank notes issued, be repealed and that instead the banks be permitted to issue fifty per cent. of their paid-up, unimpaired capital and in addition an "emergency circulation" of twenty-five per cent. more on their "unimpaired capital," subject to a heavy tax on such additional circulation.

The Baltimore plan differs from the plan heretofore suggested in the SOCIAL ECONOMIST: first, in attempting to retain a legislative restriction upon the volume of notes to be issued under it; secondly, in retaining the United States Treasury as the ultimate redeemer of all these bank notes; thirdly, in failing to repeal the legal tender law, and therefore finally in preserving the greenback note, so far as any may be extant, as the satisfactory ultimate medium of redemption of the bank note. This in effect denies the right to demand coin from the banks in redemption of notes, and in the absence of any effective measure for retiring the greenback from circulation, defers coin redemption to a period indefinitely subsequent to that at which bond security for the redemption of notes is dispensed with. In other words, an interregnum of undefined duration is permitted in which bond security will have ceased to be required yet in which coin redemption of its notes by a bank can neither be demanded by any other bank nor by the Government.

During this amphibious period, when the raft of our national finance will be neither afloat nor ashore, neither securely tied to bond redemption by securities in the hands of the United States nor fairly free to obey the helm of coin redemption, the best thing that can lawfully be got in payment of one promise to pay viz, the bank's, will be another promise to pay, viz., the Government's.

The experience of thirty years abundantly proves that under this state of things coin redemption cannot and will not occur. The notes issued by any one bank will have no motive to return to that bank. All the notes issued will continue to be, as now, permanent contributions to a fixed and stagnant grand total, exactly as if they were greenbacks. The real security against inflation and "wildcat banking" would consist, not in the tax of two-fifths of one per cent. on circulation which is provided as a guarantee fund for the redemption of the note, but in the watch care with which the Comptroller of

Currency would dole out the printed notes to such as professed to have "paid-up capital" equal in value to twice the volume of the notes to be issued.

The Baltimore plan does not provide of what the "paid-up capital" shall consist, nor in what securities it shall be invested, nor who shall pass upon its value. The "corporation-forming" community know pretty well what "paid-up capital" means. It means whatever trash the promoters of a corporation may choose to pay the cash for, which they have borrowed for an hour from the nearest source to pay with, and which they promptly return to its owners as soon as the payment has been made. It may mean mortgages on Seminole swamp lands assessed at \$1,000 a front foot, or titles to mountain or desert wastes, or corporate shares in worthless enterprises. Of course the originators of the Baltimore plan will say, "It is not our business to present a scheme which will be proof against perjury." But perjury is just the weapon that a good banking scheme should be proof against.

A bank whose notes are daily subjected to the test of coin redemption, is protected as to its notes by a system in which perjury can have no share. So is a bank which deposits Government bonds to a value exceeding by ten per cent. the notes it issues. But a bank which enjoys an interim, while stepping out of one of these systems into the other, in which it is amenable to neither test in an effective manner, is in the air.

Nor can any tax of one or two per cent. upon the total volume of a circulation which is permitted to be issued without the effective test of either bond security or coin redemption, amount to a guarantee fund for the redemption of the whole. As well expect a tax of one per cent. on the value of goods stolen to constitute a guarantee fund for the reimbursement of owners. Such a guarantee fund would apply in Canada, or among the provincial banks of England, where coin redemption indisposes to inflation. It would suffice under the bond security system. But where

neither is in vogue it would have no application. The Baltimore plan has the merit of stating correctly a need of our currency system. It needs elasticity. It lacks the merit of prescribing adequately for that need. Elasticity cannot be separated from coin redemption. To the achievement of coin redemption its prescription does not even profess to relate.

Trade Unionism in England.*

The shiftings and transiency of labor organizations in their form, leadership and objects, seem almost, in the perusal, to suggest a history of cloud-appearance and evanescence or of some form of human caprice like that which sways fashion and conversation. The dramatic movement in Webb's "History of Trade Unionism" is persistent and uniform, but the persons and associations shift with every page. One character, when he leaves the stage, never returns, but another, not quite his duplicate, continues the play where his predecessor left off. In this its collective "passing" is even more like life than that of the plays that are written for the stage to represent life.

The book assumes in its title that there is no trade unionism outside of England, and that there was none before England, and it avers in its text (p. 10) there was almost none even in England until about the close of the eighteenth century. The authors do not identify "trades' unions" with the rise in the middle ages of the orders of "Free and Accepted Masons" since they regard the latter as relating to organizations of "Master-craftsmen" or self-employed builders, while trades' unions do not arise until the prospect of graduating into a master-workman or self-employed artisan has disappeared from the worker's mind, and he accepts the wage condition as a life-long status or caste.

* The History of Trade Unionism by Sidney and Beatrice Webb. Longmans, Green & Co. 558 pp. 8vo.

Nor do our authors find in the guilds of the middle ages the true source of the trade union, either logically, historically or in spirit. The guild consisted of superior craftsmen, all small capitalists, who united to strengthen their hold on the market by establishing standards of quality or "grading" their goods or product in the joint interest of consumers and producers, or who battled with each other and with church, baron, city and state, for commercial rights and freedom to trade and manufacture within favorable limits and under conditions tending toward success. In no case did a guild ever consist of employees at wages, and in no instance was one ever formed on the basis that the wage condition on the part of its members was an irreversible life state, or that the status of wage-workers must be improved in its solidarity.

Hence no trade union existed prior to 1700 (p. 20). Still the trade union precedes the factory system by half a century (p. 25) and arose as soon as there was no longer a definite ambition of the journeyman to become himself an employer. This marked "the definite separation between the functions of the capitalist and the workman."

The unions of 1700-50 were among the tailors—so far as they had become mere sewers of cloth, neither cutting nor selling—the woolen-combers, wool-weavers, cutlers, cotton-spinners. But the pin-makers and glovers, and other trades in like condition, which sold, not their labor alone, (p. 36) but the product of their labor, sought protection to their standard of life in the guilds only and formed no unions, for what they needed was protection for the price and quality of their wares and not for their wage conditions. For (p. 37) "in those industries in which the cleavage between capitalist and artisan, brain-worker and manual laborer was not yet complete, the old guild policy of commercial monopoly was resorted to as the only expedient for protecting the standard of life of the producer."

Hence our authors think "trade unionism would have been a feature of English industry even without the steam engine or the factory system." The woolen-workers and frame-work knitters were the first to oppose the leveling of all classes of wage-earners to their "natural wages" and to demand instead a "convenient proportion of wages" such as would maintain their standard of life. The first expedient to this end was to limit the extent to which the costless labor of apprentices could be substituted for fully paid journeymen, by making use of a statute of Elizabeth.

But in 1811 (p. 54) the manufacturers and economists united in opposing this as a limitation on freedom of contract, and in 1814, in the name of "commercial freedom," it was repealed. Prior to the Combination Act of 1799, it had been held that combinations of journeymen to regulate their wages and conditions of employment were not wholly illegal provided they did not aim to raise wages unduly, a distinction about as difficult of application as our courts are making in holding that rates of freight and fare on railways, whether as proposed by the railways or as disposed by the interstate commission, must be "reasonable." In the period following the peace of 1816 there was a rapid decline in wages (p. 84) and in 1819 even the manufacturers were compelled to record in a body their regret that the "action of a few competitors" compelled "the lowering of wages to a point unfavorable to the trade at large." In this stage severe acts were passed suppressing all public meetings and bearing in many ways to crush all labor agitation. With the rise in the inflation movement which followed resumption of specie payments in 1821 (p. 93-99) a more liberal spirit prevailed, and in the midst of the general "boom" in speculation of 1825, which preceded the collapse and crisis of 1825-6, the laws against combination by workmen were repealed. Then followed a rapid organization of unions and multiplication of trade newspapers.

"The high hopes of which all this exultant activity was the symptom (p. 100) were soon rudely dashed. The

year 1825 closed with a financial panic and widespread commercial disaster. The four years that followed were years of contraction and distress. Thousands of workmen in all trades lost their employment, and wages were reduced all round. In many manufacturing districts the operatives were kept from starvation only by public subscriptions. Strikes, under these circumstances, ended invariably in disaster."

From 1829 to 1842 the trade union movement became inextricably entangled in the Radical, Socialistic and middle-class agitations comprehended respectively in Chartism, Owenism and Free Trade. There was a sudden spirit of federation and nationalization which led to the consolidation of many trade unions into one trades' union. The Builders' Union embraced seven trades, viz.: joiners, masons, brick-layers, plasterers, plumbers, painters and builders' laborers, and extended over the whole country. It had secret rites of initiation and a ritual in imitation of Free Masonry, a grouping of lodges into delegate assemblies for districts and a federation of these under a Supreme Executive which alone had power to order strikes. When its organization was well perfected, the Liverpool branches formulated a demand which was accepted by the employers as representative of the spirit of the entire organization (p. 115). It was for uniform rates of wages to each of the same classes of workmen, a limitation of apprentices, the prohibition of machinery and piecework, and payment of wages for time lost in strikes to enforce their orders.

On such a demand, imperiously and often discourteously made, the employers sprang into line, and insisted on hiring no man until he would formally sign a "document" renouncing the trades' union altogether.

In the heat of this conflict, Robert Owen addressed the annual delegate meeting in a speech, in which he endeavored to graft his idea of associated workingmen owning the means of production, or controlling or superseding capital by compact.

In 1833, the unions began an agitation for the eight hours' day for adults, an act having been passed in that year limiting the labor of children under eleven years to eight hours.

In February, 1834, a "Grand National Consolidated Trades' Union" was formed of all trades, having even "miscellaneous lodges" for persons of different trades, and "Women's Lodges." The local lodges provided for their own sick, funeral and superannuation benefits, and "as no discoverable regular contribution was exacted for central expenses, the affiliation or absorption of existing organizations was very easy."

Half a million members were enrolled within a few weeks, including tens of thousands of farm laborers and women (p. 120). Trade unionism became a mania which swept in all the trades, and throughout Scotland and Ireland as well as England. Many people of no trade, such as ploughmen and shearmen and chimney sweeps, were sonorously initiated after passing blindfold through intricate passageways, making vows over skeletons and death heads, in the presence of "master-workmen in surplices and gowns" surrounded by masked groups in appalling white garments, carrying deadly wooden axes, fearful cutlasses and similar imposing terrors.

Suddenly at Dorchester, in March, 1834, six laborers were convicted and sentenced to seven years' transportation for administering one of these dark-lantern oaths and for conspiring to withdraw simultaneously from work if their demands were not granted. Sir Robert Peel and Lord Melbourne had become frightened (p. 124) and believed the unions to be the most formidable danger that threatened the country. Even Nassau Senior, the official political economist of Oxford, appointed by Lord Melbourne to report in the name of Economic Science and University Scholarship on the impending danger, recommended that if the "combination system cannot be subdued at a less price the funds subscribed for union purposes and deposited in Savings' Banks or otherwise be confiscated."

The distress resulting from the hard times of 1829, had resulted in machine breaking, rick burning and hunger riots which were suppressed by the movement of troops into the disturbed districts and the appointment of a special commission of assize to try over 1,000 prisoners. Two itinerant Methodist preachers named Loveless and four others who had administered oaths of initiation were sentenced to seven years' transportation under an old act (1797) severely penalizing the administering of an oath by an unlawful assembly. Lord Melbourne approved the sentence, and the convicts went to Botany Bay.

Thereupon arose the first of the great "demonstrations" which have since become familiar. One million persons petitioned and thirty thousand paraded. Roebuck, Perrot Thompson and Daniel O'Connell spoke. The only effect of the severe sentence on the organization was that the initiatory oath was omitted. Yet in July, 1834, the employers' vigorous presentation of "the Document" triumphed (p. 137) and trade unionism collapsed. The collapse is attributed by our authors partly to the tension to which the popular mind was carried by the democratic invective of William Cobbett and partly to the crushing out of the force of mere numbers by the rising power of machine and factory industry. This event as interpreted to the workingmen by Robert Owen, the adviser whom for the time they chiefly trusted, called for economic co-operation in ownership by the working classes. The analysis by the Webbs of the economic folly and residual utility of Owenism is well reasoned and deserves a wide reading. They hold that trade unionism has met with its most genuine triumphs where its aims have been most restricted, eschewing politics, cultivating a good understanding with employers (p. 171), avoiding strikes (p. 181), encouraging arbitration and boards of conciliation; aiming only at "equal terms as disposers of their labor with those who purchase it." Simultaneously employers modified their early hostility to

local trade clubs and condemned only national unions of particular trades or general unions of all trades (p. 171).

From 1860 to 1870 the trades' union movement came largely under the direction of permanent trades' councils for each of the leading cities, London (p. 225), Sheffield, Liverpool, Glasgow, Edinburgh. Of these the London trades' council, which like most of the extended organizations had originated in a (sympathetic) strike committee, came under the management of Secretaries Geo. Howell and Geo. Odger. Its chief aim was to resist the "Document," which was still extant as an employers' policy, and to secure a repeal of the old laws, one dating back to 1350 (p. 233) known as the "Statute of Laborers" and "of Apprentices," (1563) and the Master and Servant Act (1824), whereby the act of leaving an employer's service was punished criminally, not so much as a breach of contract, as of allegiance or social duty. From 1864 onward the London Trade Union influence divided between Potter, who, as a labor leader advocated strikes, and Howell, Allan, Guile, Coulson and Applegarth, known as "The Junto" who opposed them. At this period employers began in resistance to the extended organization of national and inter-trade unions, to organize "lockouts" for enforcing each other's demands by a general dismissal of all workmen in a given industry, including those who agreed with their employers (p. 239). Against this, in turn, the unions formed "The United Kingdom Alliance of Organized Trades," to support the members of any trade who should find themselves locked out by their employers. This continued until 1870 when the financial depression of the leading unions and the conflicts between the central judicial council and the local unions as to the class of labor-contests to be sustained by the general alliance, brought it to an end.

In 1867 the Court of Queen's Bench rendered a decision virtually denying legal status to all trade union associations, thus subjecting their funds, then amounting to over

£250,000, to be filched and appropriated by officers without legal remedy. This led to an inquiry by a Parliamentary commission into the nature of trade unions, before which the unions were represented by Mr. Thomas Hughes and Mr. Frederick Harrison. An act was passed in 1871 which purported to make strikes legal, but all acts of "molestation, obstruction, threatening and intimidation" done pursuant to the strike, penal. Under this act convictions of strikers occurred for "picketing" or soliciting "scabs" not to work, "annoyance by black looks," or even being present in large numbers around the scene of the striker's late employment. The trade unionists resented the idea that they could not use as free solicitation to promote their aims as would be used in procuring custom in trade or votes in politics, or by employers to persuade or secure workmen.

Mr. Gladstone, until his defeat in 1874, stood by this condition of the law. On this issue in the Parliamentary contest of 1874 the trade unions put up thirteen labor candidates and elected two, their first "labor members" in the House of Commons. A conservative government went into power by trade union help, and Tory leaders like Churchill, began to talk of the new Tory Democracy. From 1875 to 1885 most of the work of trades' union reform was entrusted to a Parliamentary committee which undertook the work of amending the law so as to make employers liable in damages to fellow-workmen who were injured; a reform in behalf of which an evasive statute was passed in 1880, against which employers immediately proceeded to protect themselves by requiring laborers to "contract out" of the Act.

The trade unions also took up the policy of aiding by law the thrifty wage-earners to become employers and home owners, though this would sever them from the unions. A "Trade Union Congress" loomed up which aimed at such an inspection of factories as would secure favorable conditions as to health.

Then followed in 1881 to 1885 the joint influence of Karl Marx's and Hyndman's doctrine that the wage class should appropriate profits by association, and Henry George's doctrine that the landless numbers should appropriate land values by taxation. These two doctrines set the wage class to reasoning concerning the economic distribution of wealth and the justice of the capitalistic order of society in a manner that lighted the fires of social revolution in the minds of thousands. In very few of these groups was any economist to be found who was either disposed or able to show that the rate of wages rose steadily with the concentration in ownership of the means of industry, and hence that equality in the consumption of enjoyable goods is promoted instead of crushed out by inequality in the ownership of productive wealth.

From 1885 to 1889 trade unionists under the lead of John Burns and Tom Mann were discrediting both Liberalism and scientific trade unionism. The promises of universal plenty through free trade, made by Cobden, Bright and Roebuck were delusions. So, they argued, were the nibbling, piece-meal Fabian tactics of the Juntos and the Congress. In 1886 riots followed the great meetings of the unemployed, and Hyndman, Burns, Champion and Williams, as leaders of the Social Democratic Federation, were tried at the Old Bailey for sedition and acquitted with an éclat that favored the propagation of their Socialist theories. The era of great threatening "demonstrations," meetings of a hundred thousand in Trafalgar Square, with violent speeches, set in. In February, 1887, such a meeting was clubbed by the police and dispersed only by the calling out of cavalry and infantry. John Burns and Cunningham Graham, M.P. were convicted and imprisoned. The wage class was losing faith in trade union methods. The Socialists seemed to be the only doctors whose prescriptions had not been tried. At length the Trade Union Congress, after rejecting for five years resolutions in favor of a nationalization of the land, in 1887 adopted them, and in 1888

they were passed by a more emphatic vote of 66 to 5. In 1888 the Miners' Federation struck the eight-hour policy, and on this basis (p. 380) grew from 36,000 members in 1888 to 96,000 in 1889, 147,000 in 1891, and over 200,000 in 1893.

More and more since 1891 trades unionism has tended toward a series of practical experiments in massing great numbers of wage workers into unity for the purpose of impressing upon government such schemes of collectiveism as can be aided by legislation. The operations of capital and the schemes of enterprise are often in these agitations described as the exploitation of labor. The general aspiration is toward a social condition in which the power of "organized labor" shall succeed to that control of industry which has for only a century been held by capital, shrewdness and enterprise, as successors to rank, dignity and land ownership, which in turn have acquired this control as successors to the mailed warriors and militant king-makers.

Although the trade union members in Great Britain comprise to-day only about a million and a half of persons, out of some nine millions of men over twenty-one years of age they have a political power relatively to that possessed by the others not unlike that of a drilled standing army relatively to an unorganized population.

The work closes with a discussion of the existing statistical strength and moving purposes of trade unions in England, the qualities required in labor leaders and the hopes and future of working-class politics. It steers essentially clear of any discussion of economic theory, either from the point of view of the classic, the historic German or the Austrian school. It grows upon the reader as he proceeds, not merely through its purity of style, singleness of purpose, orderly arrangement and evident adequacy and fulness of research, but because the impression deepens that for many years to come the wage condition must continue to be that of nearly, if not fully,

three-fourths of the civilized world's workers. Those, therefore, who desire to place themselves in touch with the industrial world as a psychological force, as a portion of humanity which is not only toiling and sweating, but is likewise planning, thinking and feeling its way toward some higher righteousness and better state for man, will read this book of the Webbs.

Russia's New Czar.

The death of Czar Alexander III brings to the imperial control over 90,000,000 of people the young Czar, Nicholas II, concerning whom it is only known that he looks the image of his father and has heretofore had almost no contact with public affairs. The reign of his father, Alexander III, had been made conservative by the fact that the assassination of his predecessor, Alexander II, by the nihilists, seemed to prove that the more advanced and liberal the policy of a Russian monarch, the more deeply he incurred the hate of the Nihilists. Alexander II had accomplished the vast and difficult task of emancipating 23,000,000 serfs not only without a war but almost without a riot, the entire change in social status—greater even in many respects than the emancipation of American slaves in 1862-5—having been effected within almost the same period of time at the cost of only two or three local breaches of the peace which involved only a few arrests by the police, and no loss of life. The particulars in which it compared most favorably with American emancipation were that it was effected throughout by a system of administrative adjustment between the land owners and the serfs, through local committees. These allotted to the serfs their quota of lands in a proportion which was deemed satisfactory to both classes at the time. But it has since been found that the tendency of the serfs with their small allotments is to prefer the wage-system under the large land owners to com-

petition with them in agriculture. About a third of the lands in most districts went to the serfs, and still remain compulsorily in their ownership, in such a manner that they cannot become landless if they would. In the arbitrations by which this distribution of land was effected, upwards of 50,000 persons of all classes, from nobles to serfs, acted on the many committees, the whole affair being a marvellous compound of bureaucratic authority with democratic suggestion and influence.

Neither in the British West Indies nor in the United States was there any attempt to distribute a portion of the land among the freedmen, whereas in Russia a systematic effort was made to render the distribution of land still more effective by loans of money for the purchase of implements and cattle. Much of this paternalism in the mode of effecting emancipation, was doubtless due to the system of village socialism which prevailed in Russia prior to those edicts. The attitude of the Russian peasantry toward the nobles had from time immemorial found expression in their significant adage: "We are yours, but the land is ours,"—a saying which never would have been possible in the United States or the West Indies on the part of the slaves toward their masters.

Besides emancipating the serfs Alexander II made strenuous efforts to place midway between the rural communes known as the *mir* and the communes of artisans known as the *artel*, at the base of the social structure, and the Imperial bureaus at the top, whose sole constituent was the Czar, a system of some fifty local legislatures, one for each province, in which representatives elected by the people and paid a small stipend should learn the art of law-making by practising as the English County Boards or as the American Boards of Supervisors do upon bridges, roads, schools, canals, local taxes and petty offences, now dealt with by the communes. So reluctant were the people to take part in this provincial system that fines and imprisonment for absence would hardly secure a quorum for busi-

ness, notwithstanding the subdivisions into these *Zemstvos* were largely coterminous with the various race divisions which in Russia make the Empire a conglomerate of disassociated nationalities.

In addition to emancipation and local self-government Alexander II had at his death planned the convening of a council of notables, on something like the basis which the British House of Lords occupied before the House of Commons came into prominence. The decree for the convening of the notables had been actually prepared and would have issued in a few days but for the assassination of Alexander II on March 13, 1881, by an anarchist plot of consummate ingenuity and fury. Alexander III suppressed the decree. Though reputed to have many liberal tendencies prior to his accession, his thirteen years of power have been devoted to allowing the great reforms inaugurated by his brother to solidify in the habits and hearts of the people so as to become really a part of the constitution of the Empire. In many respects his policy has been retrogressive, or, at least, anti-German, more particularly in his persecutions of the Jews, in placing the local communes of the peasantry more under the supervision of the large landed proprietors, in clipping the feeble wings of the *Zemstvos*, in cutting loose from Germany, distrusting Bismarck and cementing a necessarily precarious alliance with France, and generally in doing more to extend the frontiers of Russia, especially in Asia than to liberalize Russian institutions in Europe. As the *London Economist* well says: "His majesty, while Czarevitch, held himself aloof from all men; he formed no friendships among either nobles or officials, and it is impossible to guess to what ministers he will give his confidence. It appears from his manifesto that he is full of the notion of prerogative, and the extraordinary precautions taken to protect his journey to St. Petersburg show that he retains his father's belief in danger from the nihilists, but there all certainty ends. The new sovereign, for

ought anyone can tell, may be meditating liberal reforms, or a reign of military despotism, or a policy of improvements ordered from above, or any other course of conduct whatsoever."

If the rumors are true that the Russian government was in secret league with Japan in its recent policy in the Corea and in the invasion of China, events in the East may soon shed light on the character of Russia's new Czar.

The Growth of a Great Journal.

Mr. John Walter, the third editor and owner of that name of *The (London) Times*, who died on October 23, at his country seat at Bearwood in Berkshire, left seven sons, four grandsons and three nephews, but had lost by drowning while skating at Oxford, the eldest son, John Walter, who would have succeeded to the editorship of the world's first newspaper had he survived. The seven-column obituary notice of the recent Editor was published in the *Times* of November 9, more than two weeks after his death. In an American newspaper it would have appeared the next day, and if there were any unexplained delay about his dying it might have slipped in on the day before.

He was born in 1818, educated at Eton and graduated at Exeter College, Oxford, B. A., in 1840 and M. A. in 1843. In the same class were Mr. Froude, the historian, Lord Farrer and Sir George Dasent, for many years of the *Times* staff. The present conductors of the paper say:—

"Mr. Walter retained throughout his life the deep influences of his Oxford training—a training which, as it existed in his day, he held to be far better adapted to brace a man's intellectual fibre, to imbue him with the spirit of sound scholarship, to refine his taste and enlarge his sympathies, to give him a firm grasp on life and affairs, than the more varied and specialized curriculum of the present day. Though not a professed scholar, he read widely in classical and modern literature, and his judgment on questions of composition and style was always sound and masculine. It was to

Oxford that he went constantly for writers qualified to sustain the literary reputation of *The Times*. He sought in them and found, with rare sagacity and insight, a capacity to deal with public affairs in a broad, liberal, and masculine spirit, to understand and interpret the drift of the national mind, and to give effective expression to the current sentiments of serious and sober-minded Englishmen. This was a tradition which he had inherited from his father, a tradition which for over ninety years during the management of father and son, has been the guiding principle of *The Times*. What Mr. Walter added to it was a scholarly regard, inspired by his own taste and training, for the purity of the English tongue. If his father gave *The Times* strength, as he undoubtedly did, Mr. Walter added to that strength refinement. He used to quote with great satisfaction a remark once made to him by the late Sir James Graham:—‘*The Times* has saved the English language;’ and, though the saying is perhaps hyperbolic, we can at least say with truth that if, during Mr. Walter’s management, *The Times*, without abandoning its traditional policy or hesitating to strike hard when hard striking was needed, has exhibited a higher standard of literary taste and propriety than it did in the earlier years of the century, the result has been due not more to the growing refinement of manners, public, political, and private, and to the gradual improvement of taste in matters literary, than to the personal influence of Mr. Walter over the great organ of public opinion with which he was so long identified, and to his judicious selection of writers of like sentiments with himself.

John Walter (second) father of the late editor, had succeeded to the editorship of *The Times* in 1803 by inheritance from his father, the first John Walter who founded it, in conjunction with a printer of original views named Henry Johnson, in 1785, under the name of *The Daily Universal Register*. It took the name of *The Times* as its principle title on January 1, 1788. It has appeared uninterruptedly on every weekday ever since. The first John Walter entered upon the enterprise at 50 years of age after he had made and lost a fortune in “underwriting,” or, as Americans would say, in insurance. *The Times* underwent an early and prolonged discipline of adversity. A year after its first appearance Mr. Walter was prosecuted for a libel on some of the King’s sons. He was convicted and sentenced to pay a fine of £50, to stand for an hour in the pillory at Charing-cross, to be imprisoned in Newgate for 12 months, and to give security for good behavior for seven years.

Further prosecutions ensued, and Mr. Walter was imprisoned for 16 months in all, being finally liberated on the intercession of the Prince of Wales. "So great were the difficulties in which he at this time found himself involved," said *The Times* on the occasion of the centenary of the paper in 1888, "that Mr. Walter seriously thought of abandoning the publication. But he was not the man to be easily beaten. He persevered in spite of all discouragements, and the paper struggled on. In the year 1797 or 1798 Mr. Walter recalled his younger son from Oxford, in the second or third year of his residence at the University, and associated him with himself in the management of his business. The second Mr. Walter had served a regular apprenticeship to his father, and possessed a thorough practical acquaintance with all the details of printing and newspaper management. But he was not merely a good man of business, he was a man of singular energy and vigor of character, of great sagacity, and of inflexible tenacity of purpose."

Under the second John Walter, and therefore between 1803 and 1847, *The Times* became the leading journal of the world both in matters of news and of opinion.

In the value of its opinions and influence, in commanding style, in pure and vigorous rhetoric, and in its absolute fidelity to English upper class and middle class opinions, *The Times* is still without a rival. Even when its opinions are one-sided and erroneous or unfair, they are generally stated in language of such apparent judicial candor as to impress the reader with the feeling that they deal as justly as the committals or policy to which *The Times* is pledged, enable it to deal with that question.

In the matter of news, however, while *The Times* is still at the head of all in the phases of news which are adapted to the tastes and curiosity of the aristocratic and refined class, it falls far astern of several American newspapers in catering to the million exactly as they are. At least twenty newspapers publish far more news than the

London *Times* ever contains. A part of this results from larger expenditure and greater diversity of circulation. But no small part results from inferior taste in editing.

Permanence of Southern Prosperity.

The passing of the financial depression will be marked in history as having at least some beneficent results amid its multitude of blighting influences. One of the best of these has been the awakening of economic thought and the dissemination of monetary and industrial knowledge among the people. It has also brought before the public attention the relative character of the prosperity of each section of this country. In its crucible all the dross of previous bad development has come to the surface and from these discoveries the nation learns the better where to devote its best energy in the future and how to construct a business polity which will withstand all such influences.

Upon examining the trade reports for the year 1893, it will be found that the section in which fewest failures took place and the least decrease in the volume of business was experienced, was the South.

To show the causes for this immunity it will be necessary first to call to mind briefly the character of the development which took place in this section immediately the changed conditions resultant from the war made such a thing possible. Slavery having been abolished, the "poor white" class was enabled to enter the field of labor unhampered by prejudice, and soon produced out of itself that middle class of which there had so long been a need. In the advancement of this element we can trace the progress by which the South became identified economically as well as intellectually and politically with the rest of the nation. Necessity forced the use of every natural resource, hence the tide of industrial activity turned towards the storehouses of nature's mineral treasures and

soon the smoke of the manufactory rose over the scene, and that new line of development was begun which was to snatch from King Cotton his formerly uncontested sceptre. Here, too, in this great region formed by the mountains stretching through the heart of the South, poured in immigrants from all sections, and there commenced that union of interests which is the greatest enemy of sectionalism and is the developer of the true national spirit. Thus by the utilization of the mineral resources and the consequent industrial activity and diversification of interests, the ennobling of white labor, and the elevation of the negro by industrial and intellectual training, a new South has been produced of great prosperity and promise.

The importance to which this industrial development had attained in 1890 may be shown by citing a few facts from the census.

	South (former Slave States.)	Per cent. of U. S.
Population,	22,040,079	35.21
Population, white,	15,150,473	27.76
Area, square miles,	892,424	24.93
Coal fields, square miles,	46,495	21.99
Value Mineral products (free metals, etc.)	\$65,491,731	15.31
Product, pig-iron, tons,	1,800,000	18.75
Manufactured product, value,	\$1,280,000,000	13.76
Farm products, value,	\$883,000,000	35.89
Direct exports, value,	\$365,878,605	35.51
Internal revenue collected,	\$14,571,857	29.80
Receipts for State taxation,	\$31,170,998	28.40

It is thus seen that the South has preserved its supremacy in agriculture and has also burst the bonds which had forbidden its successful entry into the manufacturing and mining industries and has begun already to compare favorably with those competitors whose activity in this line was the heritage of the war of 1812. This is certainly a remarkable showing, considering the fact that one-third of the population of this section is composed of a race only

thirty years separated from slavery and consequently as yet little advanced in material development. The devastation of the war and the reconstruction debts saddled on the people, must also be remembered. These statistics are taken for all the sections at the height of the general prosperity in 1890 and are more valuable in their comparative relationship than otherwise, as at that time nearly all parts of the country were more or less affected by the inflationary tendency. The development previous to this, however, was healthier and the boom period was shorter in duration and confined to a smaller area in the South than elsewhere. The agricultural regions had been almost entirely avoided by the investors and speculators, hence it was very little affected by the reaction. Consequently the South in the aggregate was much less disturbed by the panic than the other parts of the country. Its manufacturing interests furnished only 11.02 per cent. of the liabilities of all the failures of the United States, and its commercial interests only 13.21 per cent., while the banks of the South failing comprised only 13.12 per cent. of the total. These facts show the manner in which this section withstood the panic and thus prove how much more stable its prosperity must have been previously. This is further evidenced by the recent clearing house returns which show greater gains in that section than elsewhere.

A financial depression results not only in a reorganization of the productive forces of a community but of sections and the nation in general. Energy is transferred from the production of needless articles to that which will be of permanent value. Industry undergoes that changed purpose which leads to a healthy progress. Overcrowded cities empty their unemployed into the formerly depleted farming regions. Towns which have sprung up uncalled for by economic conditions surrounding, dwindle into the hamlets, justified by the necessities of the neighborhood. Other older and more permanent growths attract back the inhabitants lost by reason of their former apparent unpro-

gressiveness. An entire social revolution takes place, at the end of which each community finds itself ready to take up the progress to which its resources and position actually entitle it. Defective development is thus awarded and ultimately great good accomplished, although the effect is not at once apparent and is only felt after great suffering by the masses during the inchoate period while their industrial energies are being transferred to the new and better lines of production. How will the South fare in this economic revolution? As has been shown, its inflation and subsequent reaction have been confined to one interest and to a small area. With natural advantages equal, then, the South stands ready to lead the advance of renewed progress. But it has the additional superiority of the greater resources with which it is favored. It has larger undeveloped mineral lands, more uncut timber, and a coast line of greater extent than any other section, besides the exceptional inducements it can offer agriculturists.

In 1890 a ton of pig iron could be manufactured for \$3.18 less in the South than in the North, the entire difference being in the cost of materials. The figures for coal show a like advantage, being \$1.71 average per ton for the United States and \$1.17 for the South. Cotton manufacturing also seems favored in this section, and its growth has continued uninterrupted since 1870. At that time the New England manufactories consumed nine bales to the South's one. Now the proportion is reduced to three to one, and only a few days ago it was announced that a \$2,400,000 Massachusetts cotton mill had determined to remove its plant to Georgia.

The most difficult obstacle at present in the way of the South is the economic solution of the race question. The negro is still backward in the agricultural regions. The education he receives seems to better his material condition very little, and his improvident methods exhaust the land and decrease the aggregate production. In the industrial arts he has shown greatest adaptability, and wher-

ever he has been put in contact with intelligent white labor his improvement is very encouraging. The foreigner, however, and also the Northern white avoid the farming sections where they are thrown in competition with negro labor; hence the process of the elevation of that race has been a painfully slow one, and the South has been much retarded by it.

The panic, however, has shown that the financial structure erected there is not dependent on outside capital to sustain it, and is capable of standing alone and developing itself by its own energy and vigor; hence the immigration of the future will probably turn this way in spite of the social objections. An extensive subdivision of the large plantations among a thrifty class of American or foreign small farmers would give great impetus to the agricultural interests and increase production very much. It would also take from the Eastern manufacturers the only advantage they now have over the Southern, giving the latter an immediate home market.

With this accomplished, the South's future would know no bounds of progress. It has already become an integral part of the nation in every sense, and now stands ready to push ahead of all other sections and take the position to which its advantages entitle it. G. F. MILTON.

Chattanooga, Tenn.

Free and Paid Medical Service.

The annual report of one of our charitable medical institutions will say:

"The work has been growing so rapidly and the need for gratuitous medical services to the worthy poor is so pressing, that the resources of our institution have been strained to the utmost. In such a cause we appeal to the deepest feelings of sympathy, the most healthy spirit of charity in the metropolitan public.

"It goes without saying that no charity is of greater

use than one which strives to make the sick well, to change ailing men and women into able-bodied members of society, to check the awful destruction of infant life. This is the work which our dispensary strives to accomplish."

In fact these statements have become so common that the full truth of them has long ceased to be questioned, nor do we stop to consider how far this truth is alloyed with misconception. To a certain extent this present time is one of alms-giving beyond any that has ever been known, so that an appeal for commodities in daily use of ordinary life to be gratuitously distributed is bound to succeed, to a fairly large extent, without respect to the economics of the question involved. Even where there is a clearly felt intention of self-advertising, all that is needed to obtain funds in large amounts is a speciously worded call to help the needy, the starving, the "worthy poor," "those who do not know how to help themselves," and other phrases which by this time have degenerated to the rank of mere catch-words.

Still further has the matter gone, until we have the grotesque spectacle of charitable institutions advertising the free benefits which they thus force upon the less wealthy part of the community, and of like institutions bidding against each other for patronage; there are even instances in the writer's personal knowledge where charity has not only been forced upon the people, but also where in order to be accepted it has really gone a-begging. The statement may seem extreme, but it is easily susceptible of verification. Besides, we have more or less closely connected with medical charities the great number of enterprises designed to give vacations to children, to young girls, to men, to women, to husbands and wives together, to whole families; those to improve the physical condition of half-orphans, of girls who are forced to attend their younger brothers and sisters, to supply wheel-chairs, to give musical and dramatic entertainments, to send phthisical patients to Colorado—in short such a multiplicity of

objects that it would seem as if the mind of man were deeply exercised to find new ways of helping the "helpless" poor who are already assisted to the verge of extreme Socialism.

Economically this may seem very wrong, even though it be well-intended. But the matter does not by any means stop at this limit. There is besides a constant under-current of dissatisfaction, a feeling that not enough has yet been done, an ever-increasing willingness on the part of the bestowing class to give more and more, and an equally ready willingness in the receiving class to accept anything and everything. And still greater confusion is made by those who sanction this state of affairs, by repeating the trite statement that ours is an age of transition, and that the actual methods of charity, since they are likewise transitory, are consistent with the age, that they must be transitory, and so call for little change. All this is said in the face of the fact that while intending to do good, we are really doing more harm than the vast majority of people imagine, and rather to the poorer than the wealthier class.

Most of our hospital directors and subscribers would be shocked if they were told that a dispensary whose work they value so highly is constantly increasing the pauper population, is breaking down the feeling of manly independence, is radically interfering with the plainest laws of trade, is inculcating habits of thriftlessness, is really helping employers instead of the employed, at the partial expense of a class in the community which can least afford to stand this outlay. Still, this is literally true; nor is it stated in the manner of exaggeration. On the contrary, the evils connected with the present system are steadily growing and are tolerated with such a full absence of earnest reproof as to render any hope of immediate improvement almost futile.

There are now in this city of New York over seventy dispensaries, not counting the floating hospitals of St

John's Guild or the small private dispensaries maintained by private persons on the plan of the Poliklinik in Germany. This great number, scattered over the whole island, have treated during the past year, in round figures, 500,000 persons. In the eight largest above 350,000 were recorded as new cases. In other words, in this city of 1,700,000 inhabitants, more than one-quarter received its medical attendance free. Although on general principles one would say that those who applied for and received such gratuitous services must necessarily belong to the pauper class, when the statement obtains a direct application we instinctively draw back, exclaiming that such widespread poverty cannot possibly exist among our population, and that the figures must therefore lie. We have been priding ourselves too much upon the prosperous condition of the people to accept readily any such conclusion.

Yet these figures approximately at least are true; of course there is a certain amount of duplication caused by some of the patients going from one dispensary to another. But this element is not large enough to disturb the main result. Thus we may summarize the situation in the form of an economic problem: in the metropolis of the country more than 25 per cent. of the population receive one of the main necessities of life for nothing, and from the hands of institutions which are meant to be beneficial to the community at large. What is the economic significance of the matter, and what must its natural outcome be?

Before answering these questions we must consider a few other things which make the problem still more confusing. For years we have been told that the condition of the poorer classes has been steadily improving; and as a general statement we know this to be true. They are better housed, are better fed, are better educated, are better placed socially than ever before. Their disabilities in every direction have been with the increase in time steadily lessening, and their opportunities for advancement and prosperous development have as steadily grown greater.

So marked has all this become that we constantly hear of the decided benefit which inheres in straightened circumstances to develop character, to excite a noble emulation, to give the necessary impulse for the overthrow of strongly based obstacles. We recognize the truth of this as a theory at the same time that we do not recognize how much more ready than ever before should the so-called poor be to profit by their straightened means. And still, after all, we see medical charities more lavishly scattered than any former generation considered desirable or even possible. We see these forces constantly working to make a growing number of paupers, and nevertheless not a voice is raised to stop this tendency, not a single effort is made to check this flood of harm. What *must* be the natural outcome?

As a matter of experience, we know that the establishment of a dispensary or hospital increases to an indefinite amount the calls of its district for the attentions and benefits supplied by such an institution. In a corresponding ratio to the increase of its work, we find an increased demand, until gradually its clientele covers more or less completely even the respectable poor. Every family thus included becomes, in one respect at least, paupers. And the natural course of things is that a man who begins by being a pauper in one direction makes startlingly rapid progress to a general pauperism. He comes to realize that it is foolish to pay for what he can get for nothing; he comes to accept the charity as a foreordained fact, as a right, because he belongs to the holy band of the Poor. He realizes that at least one item of expense need not be counted upon. At the same time he knows that he must exercise enough thrift and forethought to save up money for his house rent or his tobacco, or his mid-day pot of beer. But equally well he knows that his medical attendance will cost him nothing.

This impression is widened and deepened by the ease with which he can obtain at an equally small cost aid in

supplying other needs which are induced by or related to medical charities, such as clothes and bread and ice and outings in summer. The necessity for exertion is being lessened, and the "poor man" is becoming very willing that it should be so. He does not stop to think, any more than those who seek to help him, that he is losing his thriftiness, his prudence, his sense of the necessity of economy. Least of all does he count himself as a pauper in accepting benefits for nothing so long as they are more or less directly forced upon him. He finally is apt to so put them among the benefits bestowed upon all men by nature, which, although priceless, need not be sought after, need not be struggled for. Most of all does he lose his sense of individuality, his sense of the sacredness of individual effort and individual responsibility. He grows to depend on the chance of receiving help when he needs it; for why should he prepare for the evil days when others are doing it for him?

This, however, is not all; for the question is one which overlays the present and pushes out into the future. Although the medical dispensary as an institution began in the end of the seventeenth century, its fullest development, especially in the light of its most flagrant abuses, began in our own time. Heretofore it was recognized that the patient was receiving a benefit on account of a temporary condition of destitution. He was not expected to accept this help continuously; most of all was he not to regard it as a right which the community owed him. There were, and ought to be, but few things outside of what the individual pays for that the State was bound to supply to him, and among these, free medical attendance surely did not belong, any more than free legal services or free potatoes or free newspapers. It is bad enough that the ordinary beneficiary unfortunately gets the idea that of right he accepts this charity, and suffers from the consequent moral poverty. With the adult it usually is a secondary habit, because it is only of late

that he has been subjected to its full influence. On the contrary his children are becoming habituated to this moral degeneration from their earliest infancy. They see almost every day the spectacle of parents, relatives and friends—in fact, their whole social circle—accepting valuable services and giving nothing in return. It is plainly evident that the natural result is a waning sense of financial scrupulousness, a quality which is at the very root of a healthy moral growth. The honest workingman is being shorn of the privilege of being honest, even while thinking that he is being mightily aided.

The force of these objections would be radically lessened if he were really helped in his financial condition. But he is not. And the improved monetary standing of the poor man has come about not on account of these aids but rather in spite of them. It is well understood by political economists and was conclusively proved by the investigations connected with the Poor Laws made in England in 1834 that such medical charities, especially when they become widely accepted, act in the way of a supplement to wages and so lower them. They make it possible by eliminating items of common expense, for a man to work for less than a normal living wage. This naturally is taken advantage of by employers who will therefore offer less to employees whose cost of living has been decreased. One naturally asks, who really benefits by these institutions? Surely not the laborer whose yearly pay is thereby reduced and who in addition is more or less directly put in the pauper class. On the other hand the employers as a class pay less for their labor than they otherwise would, and in turn give no adequate return to the community at large, except possibly in the most indirect ways. Therefore the only men as a class who really bear the burden of this expense are the physicians who contribute their services. Taking it as a very moderate average that patients make but four visits each during one year, we have as the resulting number of consultations

with 500,000 patients the sum of 2,000,000 visits per year. Counting each visit as being worth only \$1.00, we have the startling figure of \$2,000,000.00 per year contributed mainly by the younger physicians who are in their first struggles for subsistence and professional standing. When we stop to think that these men constitute the hardest working class in the community, the class who are forced to expend the greatest amount in time and money for their professional preparation, whose social position calls for a fairly large amount of pretention and the amenities of life, we can see at a glance how heavy the burden is.

The common impression is that physicians, although losing large actual amounts, gain enough in experience and skill to recompense them. On close examination this impression will likewise be shown to be fallacious. If each physician could have a small but continuous supply of picked cases with all the requirements of scientific investigation provided for him, with permission to use his dispensary patients as so much clinical material, this would be true. And the results would be of untold benefit to both physicians and laymen at large. The real state of affairs is that each institution strives, on account of individual pride as well as the expectation of greater support of various kinds, to obtain the greatest clientele. This necessitates the treating of an ever-increasing number of patients without a corresponding increase of time for each examination. Thus we see the vicious habit of a physician's being forced to give from $1\frac{1}{2}$ to 3 minutes to examining the patient, recording a synopsis of his physical history and condition, and writing his prescription. It is clearly evident that under such circumstances but little research can be made, and on the contrary careless and negligent habits, habits of "snap-diagnosis," inevitably result. Moreover it is much easier to acquire than to lose these habits, so that they come to influence the man's whole professional life. Not only his hospital but even his private patients are bound to suffer from it. It accentuates our American habit of rushing, of finishing things in a hurry, of arriving

at some sort of result without a strict regard for the exact truthfulness of it. The judgment of a physician should be exercised by every means which looks toward carefulness, calmness, accuracy and an attempt at a perfect adjustment of each component factor in the problem under consideration. Every cause which makes for undue rapidity, for a certain slighting of the work in hand, in obedience to the necessity of completing a certain large amount of work in a certain short space of time, inevitably lowers our scientific tone, brings about routine work, machine-like work. It debases labor and acquiresments of the highest sort to the monotonous level of the commonplace. Thus again we see that the system of widespread and promiscuous medical charities fails to benefit in healthful and salient ways any class of workers.

It will naturally now be asked whether we should utterly abolish our dispensaries. Certainly not. Such a step would be unwise, inhuman, tantamount to abolishing all charities. On the other hand we should be intolerant of the abuses of charity. No one can over-estimate the clarifying, healthful influence on both givers and takers of a wise charity wisely administered. It is one of the means of raising mortal man above the low level of every-day earth; it lends a spirit and a mellow beauty to life that can be obtained in no other way. Its educational value is far above the worth of books. It even has a quickening touch of the divine in it, which must necessarily inflame those who come in contact with it. But for these very reasons, and because it is the nature of the best to be easily distorted into the worst, or something approaching the worst, we should by all means examine our charities with an ever-watchful scrutiny, never relaxing in the carefulness of our attention, which may do so much to make or mar the State.

It is not necessary to abolish dispensaries; it is necessary to change their mode of administration.

NATHAN OPPENHEIM,

Attending Physician to Children's Department of Mt. Sinai Hospital Dispensary.

Editorial Crucible.

THE NEW YORK *Sun* solemnly devotes a two-column editorial to expounding the position of the Democratic party on the tariff. Just as if it was of any importance what the Democratic party thinks on that subject! It has been tried and the people have overwhelmingly voted that it was an ignominious failure. If the *Sun* wants the Democratic party again to be heard, it must choose a new theme. It can be heard no more on the tariff.

THE REPORT of the commissioners, Carroll D. Wright, Mr. Kernan and Mr. Worthington, on the Chicago strike recommends that the railway employees organized into a national trade union be incorporated under Federal law; that a permanent United States strike commission be appointed, with powers to investigate, arbitrate, and fix rates of wages and conditions of labor, in general analogy to the powers possessed by the Inter-State Commerce Commission, and that the courts be empowered to enforce obedience to the decisions arrived at by this commission, to the extent they now do in the commission to adjust railway rates. This will doubtless seem revolutionary to those who spend their lives in insisting upon adherence to old and ineffective methods. The report of the commission brings the whole subject of the relations of labor organizations to capital and employers before Congress in a manner to compel its early consideration with all the ability that body possesses. We will discuss the suggestions made by the commissioners more fully in our next issue.

A GREAT DEAL is said nowadays about conducting government, particularly city government, according to business instead of political methods. The evident idea is that business methods are much purer and higher than political principles. This is a very delusive sentiment. Business is purely a money-making affair and it is in the

methods of business that nearly all the disreputable conduct of society is to be found. The cheating in qualities and quantities of goods; the fraudulent valuation, of importers; the trickery in making sharp bargains; the subtle dishonesty in much of the loud advertising, and the thousand and one other means of deceiving the public, are all methods employed in business. It is to protect citizens against immoral business habits that nearly all our criminal institutions are founded and maintained at a cost of millions a year. Political principles are the principles that relate to the conducting affairs solely in the interest of social welfare with no motive of money gain whatever. Politics are degraded when the money-making elements are introduced. Politics are the means of evolving statesmen and should be governed solely by the principles of political science and societary evolution and not by money gains at all. Instead of introducing the shopkeeper methods into politics, we want to more thoroughly familiarize the citizens with political principles.

MR. ERNEST FENTON of Flushing, Long Island, writes taking exception to certain portions of our article "Fresh From English Roads" in the October issue. Referring to the Gang system, the employment of women as coal shovelers, and the existence of thatched hovels for working people, he intimates that we must be quoting "from what were standard works on the subject many years ago, but do not apply to the present day." He denies that women shovel coal at Wigan or anywhere else in England, and even that Wigan is a colliery centre, and questions the existence of the "thatched huts" to which we referred. And as evidence that he is posted on the subject, says: "I was born in an English colliery district, and until six years ago lived and worked there." We beg to assure Mr. Fenton that we did not get our facts from books of any kind, but simply stated what we personally saw last summer. On the 23d of August, 1894, we saw the

women actually at work shoveling coal in Wigan as described. To deny that Wigan is a coal centre is like saying that there are no iron furnaces in Pittsburg. Mr. Fenton may have been born in a colliery district but he evidently never saw Wigan or he would have refrained from writing his letter. Even a glance at an encyclopedia would have stayed his hand. As to "the miserable thatched huts" we saw them by the hundreds in Hertfordshire, Bedfordshire, Huntingdonshire, Cambridgeshire and Northamptonshire. All our facts regarding wages and other conditions in England were gathered right on the spot by personal observation. Mr. Fenton only proves that a person may be born in England and live there a life-time without knowing much about what is going on.

THE EXPORTS OF American products for September, 1894, under the Wilson-Gorman law are less by \$12,247,125 than they were for September, 1893, under the McKinley tariff law, which we were told shut us out like a Chinese wall from the markets of the world. This failure to export cannot be due to the fact that our country is not a cheap market to buy in, since the chief agricultural staples we produce—our corn, pork, wheat, cotton and mutton and now our lumber—have done nothing but break all former records for low prices. Our exports in breadstuffs are lower in price by thirty per cent. and yet lower also in aggregate value by twenty-five per cent. In short, while we send out a trifle more in tons of food and fiber than we did in the panic year, we get a quarter less in pay for it. For the nine months ending with September, 1894, our aggregate exports of domestic products have shrunk by \$24,805,303, and the shrinkage would have been greater had not our manufacturing exports made a small gain. The decline in exports of agricultural products only was \$25,661,961, being about a million greater than the net decline in our total exports. Meanwhile for the same nine months, our imports

of goods free of duty fell off from \$328,660,659 to \$298,066,010, and our imports of dutiable goods diminished from \$296,664,713 to \$205,523,561. In September alone, however, which is the only month of the nine fully responsive to the Wilson-Gorman law, there was a slight increase, viz., from \$46,300,612 for both free and dutiable in 1893 to \$50,647,934 in September, 1894. Thus far for the eight months of tariff threat and one month of "freer trade," we have been paid for a shrinkage of \$90,000,000 in our imports by an incipient gain of \$4,300,000. A shrinkage of as many goods as our largest commercial house would sell in a year and a half, is offset by a gain of as many as it would sell in a fortnight. This is the "ridiculous mouse" which the Tariff Reform mountain in labor has thus far produced.

ELSEWHERE IN THIS issue we publish a hopeful article by a Southern (Chattanooga, Tenn.) contributor, who regards the New South as a growing fact, rather than as a hope now by far too long deferred. He believes the future trend of immigration will be into the Southern States. He counts much upon the fact that iron can be produced at three or four dollars a ton less in Chattanooga than in Pittsburgh. We would not say one word to dampen our Southern friend's ardor, and "in our orisons" we shall pray for the fulfillment of his prophesies. But while his eulogy is going through the press, the clerk of the Chancery Court at Nashville assassinates and kills the Chancellor of the Court for political ingratitude in not re-appointing him to office. A rapid series of reciprocal murders occur at Atlanta in revenge for words supposed to have been uttered concerning a woman. A Mayor and several officers of a town in Mississippi are assassinated for being politicians; a feeble effort to punish the mobbing and killing of negroes known to be innocent fails in Memphis for want of jurors willing to punish a white man under any circumstances for taking the life of a negro, and only a few weeks ago a colored preacher named Gaston was killed in Georgia for advoca-

ting the removal of his race to Liberia. Neither capital nor immigration will seek the Southern States until the people of the South can get right down to the cold realities of the ethics of civilization. These are:—

First. It is neither a part of the right, nor essential to the happiness, nor worth the while of a man of sense and honor to undertake to regulate by assassination what other people shall say. No really brave man will try to interfere with the exercise of the right of free speech by anybody, however foolish, malignant or mistaken their slanders may be, since no gentleman will be hurt by false statements, and no other can become a gentleman by punishing the telling of the truth.

Second. The common belief of the great mass of the Southern people that honor requires them to kill the various persons with whom they disagree on questions of any kind, is utterly destructive of the honor it pretends to protect, is on a level with human sacrifices of any kind, and renders whoever holds such views a social nuisance in any society which his mediævalism helps to barbarize and to pollute. The great obstacle to the progress of the South is the ignorance, barbarism and indolence of its aristocratic class and the fact that they have a fictitious, hypocritical and dishonest set of moral standards. When they learn right from wrong better, capital and labor will be more willing to redeem their barren wastes and make their sand plains blossom as the rose.

FALL RIVER and New Bedford strikes have produced two valuable contributions to labor literature; one is the article in *The Outlook* of November 10, by Alex Maccoll of the New Bedford *Evening Journal*, and the other is that by Rev. Mr. Hale, of Fall River, in *The Forum* for November on "The Impotence of the Churches in a Manufacturing Town." The strikes closed eighty-six mills for eight weeks, involving a loss of pay which Mr. Maccoll estimates at \$1,600,000, enough, probably, to buy the largest

mill in Fall River. Mr. Maccoll attributes the strike in great part to arbitrariness of manner and "skimping" in trifles on the part of the managers, which irritated the hands more than the amount of wages in dispute. Notice of reduction of wages was posted without designating how much the reduction would be, and on several occasions when previous rates of wages had been reduced to ten per cent. and then "restored," it had been found that the ten per cent. "restored" was computed on the sum *to* which and not on the sum *from* which wages had been reduced, and so the "restoration" was "ten cents" less on a wage of ten dollars per week than the sum required to balance the reduction. The more insignificant the sum, the meaner the transaction appeared.

So when the legislature had passed a law requiring employers to furnish operatives with such "particulars" as would enable them to "head off" dishonest employers who would hire them to weave at a given price per cut and then keep them weaving until they had done a longer cut than was agreed, the Fall River and New Bedford mill owners in turn circumvented the legislature by contracting with their operatives to work by the pound instead of by the "piece, cut or yard," so that the law would not apply. It is also a notable fact that the manufacturers would make concessions to the spinners, who are united in the union and have a large fund, which they deny to the weavers and other operatives whose union is less strong.

Mr. Maccoll praises warmly the six mills in New Bedford belonging to Mr. William D. Howland where no such petty invasion of the rights and pride of the operatives is committed, and where no strikes have ever occurred.

Mr. Hale's argument is that the churches are made impotent to aid the wage-workers by the fact that the Protestant churches are made up of the employing class and are greatly divided by sect and faction, and impoverished by sectarian division, while the Catholic church musters in all the wage-working class and is at once solid,

rich and stolid, looking out chiefly for itself and for its own revenues. Mr. Hale is hopeless of church institutions as respects their ability to be a source of genuine help and relief to the poor in so far as they are themselves a portion of the poor who are struggling against extinction. The situation is an embarrassing one open to all the difficulties which Mr. Hale points out.

THE PROPOSAL TO sell fifty millions of Government bonds as a means to replenish the Treasury is uncovering a weakness in our financial condition greater than had been generally suspected. The Government appears to be discovering for the first time the evils, indeed the imminent national bankruptcy, which threaten it so long as the United States Treasury is the sole debtor, in a nation of sixty-six millions of people, that can be asked for gold on its demand obligations. All the banks can make the Government their "buffer" under the Legal Tender Act by paying in greenbacks. All depositors can, under the Legal Tender Act, call upon their banks for the greenbacks. Holding either greenbacks or "Sherman notes" they can present them at the Treasury and demand gold for them. This same gold they can tender to the Treasury in payment of their subscriptions to the fifty-million loan put forth ostensibly to replenish the Treasury with gold. In short, the purchasers of the bonds can draw out at the Treasury "spigot" the whole fifty millions of gold which they pour in at the Treasury "bung," get 2 8-10 per cent. per annum for loaning to the Government exactly the \$61,500,000 in gold now in the Treasury and not increase the stock of gold in the Treasury by a dollar.

Never in all the history of national finance, not even in any of the old sinking-fund plans of paying off the principal of a large debt out of the savings to be made from interest derived from investing small portions of that same debt, nor in any of the famous financial hocus pocuses and

bubbles of the South Sea and Mississippi era, was there ever devised a scheme so thin as that of keeping gold in the Federal Treasury by means of a sale of bonds when every purchaser of the bonds is entitled by law to draw gold from the Treasury itself to purchase the bonds with.

It is really worse than the act of Congress passed twenty years ago forbidding the premium on gold to go up. The exigency which has brought this weakness now so forcibly to the Government's senses is the concurrence of a low supply of gold in the Treasury with an adverse balance of trade clearly due to two months of the operation of the new tariff law. This is clear in the following extract from the *London Times* financial article of Nov. 15. It says: "It remains to be seen whether the American public will not draw gold from the Treasury to buy the bonds. The new issue is merely the means for the creation of a new exportable article, by which America may hope to turn the exchanges in her favor. Since the reduction of the American tariff, the balance of trade indebtedness has favored Europe and would have to be liquidated in gold unless America could provide some acceptable form of remittance. Though we may not take of the bonds largely, banks and investors in America might send us at acceptable prices large amounts of good railway bonds, and thus the balance of indebtedness would be adjusted; indeed, this is very likely."

There is a cold and icy logic in this admission from the leading free-trade organ of the world, that in passing the Wilson-Gorman law, and in neglecting even to think of placing our banking system on a coin redemption basis, we make our financial position one of distrust bordering on contempt, in the eyes of the civilized world. We would not care so much for the criticism if we could regard it as merely English. Its galling force lies in the fact that it is true.

Economics in the Magazines.

Under this head we call attention only to the articles in the current magazines on social economic questions, giving the point of view or method of treatment and other items that will serve as a guide for readers and students.

ECONOMIC THEORY.—*Why Had Roscher so Little Influence in England?* by W. Cunningham in *Annals of the American Academy* for November. Prof. Cunningham does not clearly bring out the difference which would have been wrought in English political economy if Roscher had been more widely read in England. We may infer, however, that in his view Roscher's genuinely scientific moderation in statement, and his non-combative but clear presentation of doctrine, as well as his substitution of indefatigable learning for mere contemptuous hauteur towards all adverse or foreign views, would have improved the British economic style and might have brought substantial gains in actual knowledge to the English economists, for which there is certainly great room. Prof. Cunningham makes it the point of his complaint that Prof. Marshall insinuates "that certain members of the historical school of economists profess to discard all theories, and subsequently stultify themselves by implicitly using those very theories." Prof. Cunningham seems to think that the special researches into social conditions like "Booth's Monumental Work on the London Poor" and similar realistic inquiries are superseding, even in the minds of economists, the relative and dogmatic importance formerly assigned to theory.

FACTORY OPERATIVES.—*Impotence of Churches in a Manufacturing Town.* Rev. W. B. Hale in *The Forum* for November. The writer regards division among Protestant sects as largely responsible for the small influence of Christianity over, and the little effective aid rendered by its ministers to the working classes in factory towns, of which Fall River and New Bedford are examples. He describes

a population largely secularized in its creed by the immediate presence of want, and too deeply immersed in the struggle for subsistence to think of religious matters. Over against this may be set the fact that doubtless the wealthy of Fall River would be found to be as secular in motive and spirit as the working classes, though more polite in the expression of their secularism, and that among mankind generally poverty has been at least as favorable as wealth to the tendency to govern the affairs of this life through motives derived from supermundane considerations.

FIRES.—*Causes and Effects of Great Forest Fires*, by John Gifford, in *The Engineering Magazine* for November. Legal regulations and social effort necessary to preserve forests from waste and insure their renewal in the interests of cheap timber, abundant rainfall, full rivers and a beautiful and fertile country.

GOLD.—*The World's Gold Production*, by T. A. Rickard, F. G. S., in *The Engineering Magazine* for November, argues that the collapse in value of silver is intensifying the production of gold. The world's production has increased from \$130,650,000 in 1891 to \$155,521,700 in 1893, the value of the gold product in 1893 being only 8.77 per cent. less than that of the gold and silver combined in 1861-5 which Dr. Soetbeer estimates at \$170,473,383. Director Preston expects the yield for 1894 to exceed \$190,000,000, being equal to the production of both metals twenty years ago. The United States production is now \$35,959,599; Australia, \$35,654,678, being 1,876,562 ounces against 1,739,700 ounces for the United States. Russia produced 1,247,156 ounces valued at \$25,801,645 in 1892 and South Africa 1,610,646 ounces worth \$28,272,407. The rate of increase since 1887 to 1893 in South Africa has been from 23,155 ounces to 1,478,477, while the average product per ton of gold ore worked has declined from 22.65 dwts. to 9.5 dwts. As depth is gained the ore becomes pyritic; its

gold contents decrease and the cost of its reduction in the mills tends to augment.

The writer concludes: "South Africa will repeat the story of other mining districts; it will be an important gold producer. Probably within a couple of years it will reach the first position (it has already surpassed Russia), but there is no reason to suppose that the phenomenal growth of its production will go on in arithmetical progression indefinitely, as many authorities would suggest. Its yield will serve to counterbalance the exhaustion of older regions, but it will not have the economic importance of the early Californian and Australian discoveries. In 1851 California produced \$81,294,700 after three years' development, in 1853 Australia yielded \$62,001,761 after two years' development, in 1893 South Africa gave \$28,272-407 after six years' vigorous and systematic work. It cost more to produce the 28 million dollars' worth of South African gold than it did to obtain the 143 millions yielded by California and Australia in the two years quoted."

INCOME TAX.—*The New Income Tax* by Charles F. Dunbar, in *The Quarterly Journal of Economics* for October, 1894. Prof. Dunbar disapproves of such portions of the new law as make "property acquired by gift or inheritance" in any year taxable as income of that year, in which feature he finds that our income tax law is less wise than the Prussian income tax law of 1891. He also objects to ascertaining the amount of income through the taxpayers declaration, to levying the tax of each year on the income of the year preceding; to following the example of the income tax levied during our war with the Rebellion; and to overlooking the fact that, as taxes generally, however laid, cannot fail to be paid out of and in proportion to incomes, any assumption that a tax can be more specially directed at incomes than all taxes now are is superfluous.

LIGHTING.—*Domestic Electric Lighting Plants*, by Nelson W. Perry in *The Engineering Magazine* for November,

shows that Germans are ahead of us in electric lighting for domestic purposes and that they "obtain more light by using gas in a gas engine driving a dynamo than can be obtained by burning that same gas direct in the best gas-burner."

RAILWAY RATES.—*Reasonable Railway Rates*, by H. T. Newcomb in *Annals of the American Academy* for November. Prof. Newcomb condenses the Report of the Senate Finance Committee on "wholesale prices and wages," particularly in its bearing on transportation rates and railway values. He shows that during the six years covered by the Reports of the Interstate Commerce Commission and ending June 30, 1893, the decline in the average charge per ton per mile for carrying freight was only from 1.001 cents to .878 cents, and the decline in the rate per passenger per mile was only from 2.349 cents to 2.108 cents. Small as this reduction seems, it represents a saving annually of \$115,113,377 on freight and \$34,292,134 on passenger transportation, a total of \$149,405,511, (a sum one-half larger than the total losses by fires in the United States). In 1862 it cost \$5.42 to transport over the Pennsylvania Central as much freight as in 1892 could be transported for 60 cents, a fall to one-ninth its former figures in 30 years. From Chicago to New York between 1864 and 1894, rates of freight have fallen to one-fourth. Meanwhile 61.24 per cent. of all the railway stock and 14.39 per cent. of the bonds have during the year ending with June, '93, paid neither dividends nor interest. And in one of the ten geographical groups into which the railways of the country are divided according to location, 99.99 per cent. of the stock and 31.66 per cent. of funded debt receive no return. This group embraces "the State of Louisiana, exclusive of the portion lying east of the Mississippi River, the State of Texas, exclusive of that portion lying west of Oklahoma, and the portion of New Mexico lying southeast of Santa Fé."

It is a significant fact that the leader in Congress who

most persistently pushed the anti-railway legislation into existence until it took the form of the Inter-State Commerce Act, was Roger Q. Mills who represented seven-eighths of this dismally unprofitable railway area. This recalls the incident of his denunciation of the late Wm. Walter Phelps of New Jersey as a railway magnate who was getting rich out of his oppressive charges upon Mr. Mills's Texas Constituents. Mr. Phelps replied that he owned the railway whereby Mills reached his home, but would be a far wealthier man if he didn't. Prof. Newcomb's article affords an excellent basis on which to study the economic law according to which railway rates decline, and the combined effect of free competition and adverse legislation on railway values.

RATES OF INTEREST.—*Mortgage Banking in Germany*, by D. M. Frederiksen (Chicago) in *The Quarterly Journal of Economics* for October. Mr. Frederiksen indicates that the Germans have a valuable system of making loans upon land by forming associations of borrowers which issue the bond of the association at four per cent. and generally loan at five per cent. the proceeds derived from the sale of the bonds. These bonds stand as well on the exchanges as government bonds, and, if they are open to any objection, it is that of tempting people to borrow too much by making loans obtainable at too low a rate of interest, if that can under any circumstances be an evil.

In view of the fact that Western (Dakota) borrowers in the United States are now paying ten to fourteen per cent., and borrowers in Georgia are alleged to be paying eighteen to twenty per cent. as against a call-loan rate of only one per cent. in New York City, while agricultural borrowers in Germany are averaging a rate of from three to five per cent., and the local bank rates in Berlin and Antwerp for loans on commercial paper or even on call are but little lower than the farm rates—the people attain to a greater practical equality under a kaiser than they reach under institutions expressly intended to produce equality of con-

ditions. Hence, Mr. Frederiksen's theme is of the first importance, and the facts of his article should be made intelligible to all American readers. To this end they need to be still further divested of financial abstruseness and technical learning and described in their workings, as by an eye-witness, who at the same time understands American finance and can translate German mortgage banking into American habits and customs so that the former can be correctly conceived by those who are practising the latter.

SHIP-BUILDING.—*English and American Ship-building*, by J. S. Jeans in *Cassier's Magazine*. A discussion from a friendly English standpoint of the prospect that the business of iron and steel ship-building may become successful in the United States. It concludes that as American locomotives are successfully competing in foreign markets, and as they involve all the elements of complexity and cheap production in iron and steel work that are involved in ship-building, there is reason to expect that the high rate of American wages may not prove a bar to success in cheap ship-building also; allowance is to be made for the fact that owing to our railroad mileage and rate of construction being about equal to the aggregate of the entire world beside, it follows that the great factor of "dimensions in industry" is aiding us to produce cheap locomotives, in a degree that it cannot at present aid us to produce cheap ships. Usually that can be produced cheapest which must be produced on the largest scale. At present America is compelled to be the largest producer of locomotives but not necessarily and immediately of ships.

SILVER.—*Free Coinage in Mexico*, by Claude N. Bennett in the *North American Review* for November. From the fact that Mexican dollars are worth only 50 per cent. of American silver dollars, Mr. Bennett infers that under free silver coinage American silver dollars would sink to 50 per cent. of their present value.

TRANSPORTATION.—*Advantages of the Tehuantepec Inter-oceanic Route*, by Elmer L. Corthell in *The Engineering Magazine* for November. An argument for a national railway across the Tehuantepec Isthmus in preference to the Panama and Nicaragua projects.

WAGES (RATE OF).—*The Wages Doctrine at the Hands of the German Economists*, by F. W. Taussig in *The Quarterly Journal of Economics* for October. Prof. Taussig seems to admit that no satisfactory theory of the cause of the rate of wages, or of the principles which determine the general prosperity of laborers, can be stated (p. 22). Adam Smith and the classic school distinctly break down under the German Criticism of Hermann and others, because his doctrine that wages are either an advance of capital or are paid out of the employer's revenue, is largely fallacious, since in fact it is the proceeds of the wage-worker's toil which is constantly not only replenishing but increasing the capital which pays the wages. On the other hand the old German theory that wages of labor are determined by the capacity of the consumers to pay for its products is fallacious, since most of the consumers are wage-workers, and derive their capacity to pay from wages itself, and this leads into the "vicious circle," as Prof. Taussig regards it, that rates of wages are determined chiefly by rates of wages. Hence Prof. Taussig says "We may have to forego the attempt to make any precise statement of the causes affecting the welfare of laborers in general; still more, abandon the attempt at a separate statement of the causes determining the prosperity of hired laborers." What is this but a confession of intellectual bankruptcy on the part of the economic department of one of our leading universities? If political economy knows no cause for the rate of wages, what does it know?

Among the Books.

The Aged Poor in England and Wales. By CHARLES BOOTH.
Macmillan & Co. 1894.

This, in connection with the previous work by the same author on "Pauperism and the Endowment of Old Age," presents the first comprehensive attempt we have met with to investigate pauperism, or rather the relief systems applied to pauperism, with an approach to scientific precision. The genius for organizing bureau work which the author displays in the collection and arrangement of so large a quantity of statistical matter, is not the least notable feature of his work. He credits Canon Blacksley with having set on foot the inquiry into the expediency of endowing old age which is now attracting such considerable attention on the part of the humane. Whatever Canon Blacksley may have done to give the work a local start, the systematic handling it receives from Charles Booth must be the basis on which it becomes a world's question.

There can be no narrow basis to the life work of a man who takes the acknowledged lead of the world's theoretical economists and practical philanthropists in investigation statistically and personally into the condition, first of the poor of London, and then of the aged poor of Great Britain.

It is with the view of forcing on the public mind attention to Canon Blacksley's scheme of endowing or pensioning the old, that Mr. Charles Booth has entered upon these exhaustive and forbidding researches into the degree of care now given to the poor. It is a most elusive and disheartening problem to grapple with. At the outset we are met by the formidable difficulty in the science of poor-relief when attempted by any form of uncompensatory alms-giving, that the more we do for paupers the more ready are the feeblers ranks of the self-sustaining to sink into and accept pauperism as their lot, and hence that every attempt to succor paupers by making them comfortable increases pauperism. Against this view on the other hand rises our strong disgust at all parsimonious nibbling experiments in making charities so scrutinizing, slow and insulting that it becomes absolutely useless to the sensitive. Better relieve none than to aid merely the brazen whose only claims are false pretences and petty imposture. Mr. Booth in his earlier work

(Pauperism, etc. ; p. 173) had shown that what it called a model system of poor relief—*i. e.* one which would greatly reduce the number seeking indoor relief in a particular "Union"—had been practiced at Brixworth and Bradfield, with the effect of almost emptying their own unions, and proportionately increasing the number of paupers in every adjoining parish. This is the kind of poor rate economy which Dickens has immortalized in the person of Mr. Bumble, the parish beadle, and which found its realistic side in little Oliver Twist being apprenticed to a chimney sweep and swept into the arms of Fagin when he asked for "more." Between this kind of parish economy and the vice of generous giving, nearly every nature in which sentiment has not been absolutely crushed out by statistics will lean toward the generous giving.

Mr. Charles Booth when seeking to organize society in a manner to insure the comfort of the aged by endowment, has weighed well the tendencies of charity to lessen the vigor of self help. But he holds (p. 53) "that the official figures show beyond dispute that nearly one-third of the old (over 65) in England and Wales receive parish relief ; that this proportion falls to one-fourth or rises to one-half, according to the degree of prosperity enjoyed ; but that below one-fourth the proportion scarcely falls in any representative group of unions ; and in individual cases that the unions whose old people are mostly independent of the rates, are counter-balanced by those whose poverty is such that almost all the old are paupers. Just as old age stands out plainly as the prevailing cause of pauperism after 65, and increasing age of increasing pauperism, so are general causes the evident explanation of the difference between the rate of old-age pauperism in one group of unions and another. With individual unions it may be otherwise, but on the whole people are poor because they are old, and poorer in some places than in others because the whole community there is less prosperous."

The number of the old poor in the rural unions is nearly twice as great relatively to population per 10,000 as in the metropolitan unions. Apart from the relative tendencies of city and country to develop or retain paupers, and a side glance at the tendency of intemperance and financial depressions to develop pauperism, the causes of pauperism are but little treated

in the present volume, having been fully discussed in Chapter VII of its predecessor. In this volume the author with great singleness of purpose holds to his main point which is the relation of pauperism to old age. Canon Blacksley's plan was to collect a fund from the young with which to support the aged. Indeed those only were to be supported when old who had contributed to the fund when young, and then regardless of their need. This converts the system into one of insurance, rather than of social relief and has the strong merit of not being charity.

Some system of State or national insurance of the aged wage-workers seems to be worthy of serious agitation in these United States. The principle of protection to wage-workers requires it. International tariff protection, by duties on imported goods, is protection to the guild, occupation or industry only. It cannot be denied that wage-workers are indirectly benefitted by it. But a popular and comprehensive system of protecting old age from pauperism would come home to every wage-worker and would appeal to the national sense of justice. The actuarial details of such a system of national insurance need not be here discussed. They would aim to make the National or State Government, better the former than the latter, the intermediary for collecting from employers an annual insurance tax or premium on every employee sufficient to continue to that person his or her full wages after sixty-five years of age, and perhaps half wages for the ten years preceding.

A similar insurance tax might be laid on all proprietors large and small, and men and women in professions, resulting in an equivalent monthly return after the age of sixty-five without regard to need or destitution. The private creation of funds for the support of superannuated ministers and actors, the wide support given to insurance companies like the Metropolitan Life which insures the poor in small sums regardless of health or the quality of the risk; the immense taxes paid annually to all life insurance companies, and the firm hold upon society, of Masons, Odd-fellows and other guilds which promise benefits during superannuation or sickness, all argue an immense popular demand that the pauperism which attends old age should be prevented.

Mr. Alfred Dolge, of Dolgeville and of New York City,

has for twenty years past been experimenting in the practical work of insuring his own employees against this among other contingencies. He regards the individual system of insurance of employees as one that pays the employer better than none at all; but its advantages both to employees and employer are vitiated in many ways by its being local and partial. To meet the want it should be national or, at least, very general.

The tax required would appear in its first form as a tax on employers; some might construe it as a tax upon wages. In general it would be added to the rate of wages. As a permanent cost of production it would distribute itself between profits and prices. As a function of the general Government and a form of protection to labor it would come under the head of taxes to promote the general welfare. It would be collected from employers under the internal revenue system and would involve none of the inquisitorial and despotic features of the income tax. Both workmen and small proprietors might be relied upon to make themselves known to the international revenue officers where a future pension is involved, and the employers who in the first instance pay the premiums would soon come to regard it as they do their cost of power, of rent or of any other incident of the business.

Mr. Charles Booth holds that the cost of an efficient system of pensions to the aged would be £17,500,000. The 29,000,000 people of England and Wales now expend £8,500,000 on poor relief. This relieves about 1,323,000 persons over sixty-five years of age, and he estimates that this number would constitute the pension list. Hence his proposal barely doubles the present poor rates. It would pay thirteen pounds each per year or five shillings per week to every pensioner. This amount he thinks would increase as time goes on.

The principle involved in State insurance against pauperism has been already conceded in every system of State maintenance of paupers. The only new departure consists in saying that the State should perform nobly and in a manner consistent with the self-respect of every citizen any duty which it undertakes to perform at all. By whatever constitutional code it can provide for a pauper, it can provide against any person becoming a pauper.

The Principles of Ethics. By HERBERT SPENCER. Vol. II. D. Appleton & Co. 1893.

The author in his preface to Vol. II of the "Principles of Ethics" declares his dissatisfaction that the doctrine of evolution has not furnished guidance to the extent he had hoped: "Most of the conclusions drawn empirically are such as right feelings enlightened by cultivated intelligence have already sufficed to establish. Beyond certain general sanctions indirectly referred to in verification, there are only here and there and more especially in the closing chapters, conclusions evolutionary in origin that are additional to or different from those which are current." In short, Mr. Spencer charges himself with having written a treatise on ethics, without discovering in the study of men's conceptions of right and wrong that the fundamental law of progress operates through a "constant differentiation of homogeneous entities into heterogeneous, accompanied by an ever-increasing integration of matter and diversification of function." In morals men do not, so far as Mr. Spencer indicates in this volume, keep right out dispersing and differentiating into different forms, modes and qualities of moral and ethical efflorescence, as they had previously done in Military life, in Industry, Art, Government, Rank, Science, and, in short, every other department of thought.

Children do not rush delightedly to their mammas exclaiming, "Oh, Mamma, I have found a new kind of goodness," and the ethical agencies of the world do not bind on the brows of sage or philosopher any chaplet of myrtle, laurel or ivy, in token of his having discovered a new principle of right. In this clearly Ethics differs from Politics, Physics, Mathematics, Economics, Art, Science, Industry, and life in all its forms.

Mr. Spencer makes his whole scheme of ethics turn upon the one pivot that the line of action which will preserve the species is superior to the line of action which will preserve the individual, and hence that while adults must contend with each other according to their strength and the fittest survive, infants must be cherished in proportion to their weakness, and altruistic conduct must be practiced toward the immature, because to save the species is more economic of life than to save the individual.

Upon this single thread of principle is strung an indefinite host of illustrations which, like the offspring promised to

Abraham, are as the stars of heaven for number, and we may add for brilliancy and luminous power. No other treatise on the origin of law so clearly shows that human law, as a whole, originates in ethical rights, or what are supposed to be such, instead of rights originating in law, as some have claimed. No treatise on jurisprudence so happily and clearly traces the various transformations which the right to "physical integrity" has undergone from the period when it does not even vouchsafe a right to life, to that in which it protects the nostrils from a vitiated air.

Whatever may be the limitations upon the success of this work as a creative force in moral philosophy, and the world will be little disposed to define them more severely than its eminent author has done, there can be no doubt that its views upon the origin of justice are well calculated to make it a first book in the law, and to give it a mission as a text-book not unlike that which has been filled by "Guizot's History of Civilization" or "Mill's Political Economy."

For such a use there are hundreds of things in it that are broadening and deepening in their influence. Along with these are some which are insular and narrow; in which the cockney gets the better of the philosopher; in which we feel that the sound of bow-bells and the racket of Lancashire are struggling ineffectually to "drown the roar of the great world." The feeble and inconsequential chapters on the "right of free exchange," and the "right of free industry" are rendered imperfect on their face, by their failure to discuss the "right of free legislation" in behalf of those forms of exchange and modes of industry which the aggregate will and consensus of the nation concurs in regarding as beneficial.

In holding that the safety of the species is more urgent than the safety of the individual, Mr. Spencer lays the logical foundation for the corollary that the practice of affording to all the individuals in a nation an opportunity to carry on industry and commerce in competition with the subjects of rival nations is more urgent than the right of one individual to trade. Hence freedom of the national legislature to legislate in behalf of a national industry, including as well freedom from the incubus of fallacious objections which would be calculated to overlay and kill such legislation, may for one time and country be more

important than the freedom of the trader to be exempt from such legislation.

So on p. 129 Mr. Spencer misapprehends the wiser application of the principle of liberty to contract, on the part of wage-workers. This is that wage-workers *in solido*, as an aggregated class shall be permitted to arrange the terms of their contract, instead of each wage-worker in his weakness going it alone, which is the form of wage contract Mr. Spencer regards as illustrating the principle of freedom. He would not have to go far to discover that about all men who actually work for wages in any of the extended forms of wage-service wherein armies of workmen are employed regard Mr. Spencer's form of "free contract," as one wholly incompatible with the freedom of any other contracting party except the master.

Mr. Spencer's work constitutes an able and adroit English middle-class, non-theological book of the philosophy of morals, so far as morals are deducible from the single theory of the preferableness of courses of conduct which make one in general prefer himself to another, and prefer his own ultimate to his immediate welfare, but in particular prefer his offspring or species during infancy to himself. The previous question which the metaphysical class would move against a book resting on this basis, is whether it is really ethics in its scope. If so ethics is interest or economics modulated so as to embrace the conservation of the species, as well as the conservation of the individual and of society.

To those who contemplate ethics from the metaphysical side, this strictly materialist view is of the muck rake and unsatisfactory. From the metaphysical side the human mind is the cause not the consequence of life and of all its struggles, evolutions, harmonies and inharmonies. All, says Hegel, are but the spirit struggling with matter to express the divine through the animal, the cause through the consequence, as the clock records time according to its purpose. In this point of view ethics is the discovery of this divine purpose in our human doing.

The Labor Movement. By L. T. HOBHOUSE, M. A. Fellow of Merton College, Oxford, with preface by R. B. Haldane, M. P. London : T. Fisher Unwin.

The writer's views are not in all things clear, but he says (p. 49) "Trade unionism represents the control of industry by

the body of producers, so co-operation represents the control by the body of consumers."

We find ourselves unable to follow such writing. It tumbles one incomprehensible proposition upon the head of another like rocks coming down a precipice. Trade unionism does not represent the control of industry at all, and the men who form trade unions are not "the body of producers," by any means, and nothing is gained by calling them so. Trade unionism represents a combination of wage-workers formed to control the rate of wages, or other terms and conditions under which its members and class will render their labor, and without which they will undertake to withhold their labor from the employer. Industry is the condition of things which occurs when the battle of the trades' union has been fought and when capital and labor are again working together in peace.

The "body of producers" includes both all the capitalists whose machinery, plant, contracts, superintendence, power of risk, of sustentation and of control of markets is in use, and all the workers who are performing any part of the work whether directly, as co-employees or indirectly as transporters of materials or of products or as agents of the transfer of title to either, or as operatives in its physical transformation. To say that trade unions represent "the control of industry by the body of producers" is to forget what trade unions are, or aim to be.

Again we are told (p. 51), "There is no reason why the railways or any other business of national magnitude should not, like the post-office, the national defence and the coinage, be undertaken by a committee sitting at Whitehall and representing the whole nation." If by the post-office is meant anything more than the sorting of the letters, *i. e.*, the actual transportation of the mails, its work is all done by private industry. All the State does is to give out the contracts. Until the State socialists draw a distinction between contracting to have work done by others and doing it, they should not cite the carrying of the mails as an evidence of the feasibility of having commercial and manufacturing industry carried on by the State to save the individual.

SPECIAL ANNOUNCEMENT.

SOCIAL ECONOMIST FOR 1895.

THE SOCIAL ECONOMIST enters upon the new year with renewed vigor and encouraging prospects. It will, as heretofore, stand as the pronounced representative of American, as distinguished from the English, School of Economics. It will insist upon discussing the industrial and political questions of the United States from the point of view of the national development of this country. To this end it favors such a thorough reorganization of our currency and banking system as shall insure the withdrawal of Government greenbacks; complete coin redemption, with as free a use of silver as of gold; and the issue of an elastic currency which shall furnish money at as low a rate of interest to Western farmers, as to city borrowers.

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It will further advocate the extension of our protective system to laborers: (1) In the adoption of such an economic restriction of immigration, as shall protect American laborers against the drag-down social influence, as well as the wage competition of the poorer type of foreign laborers. (2) In a national system of labor insurance which shall secure wage workers from the terrors of pauperism, or any form of charity in old age.

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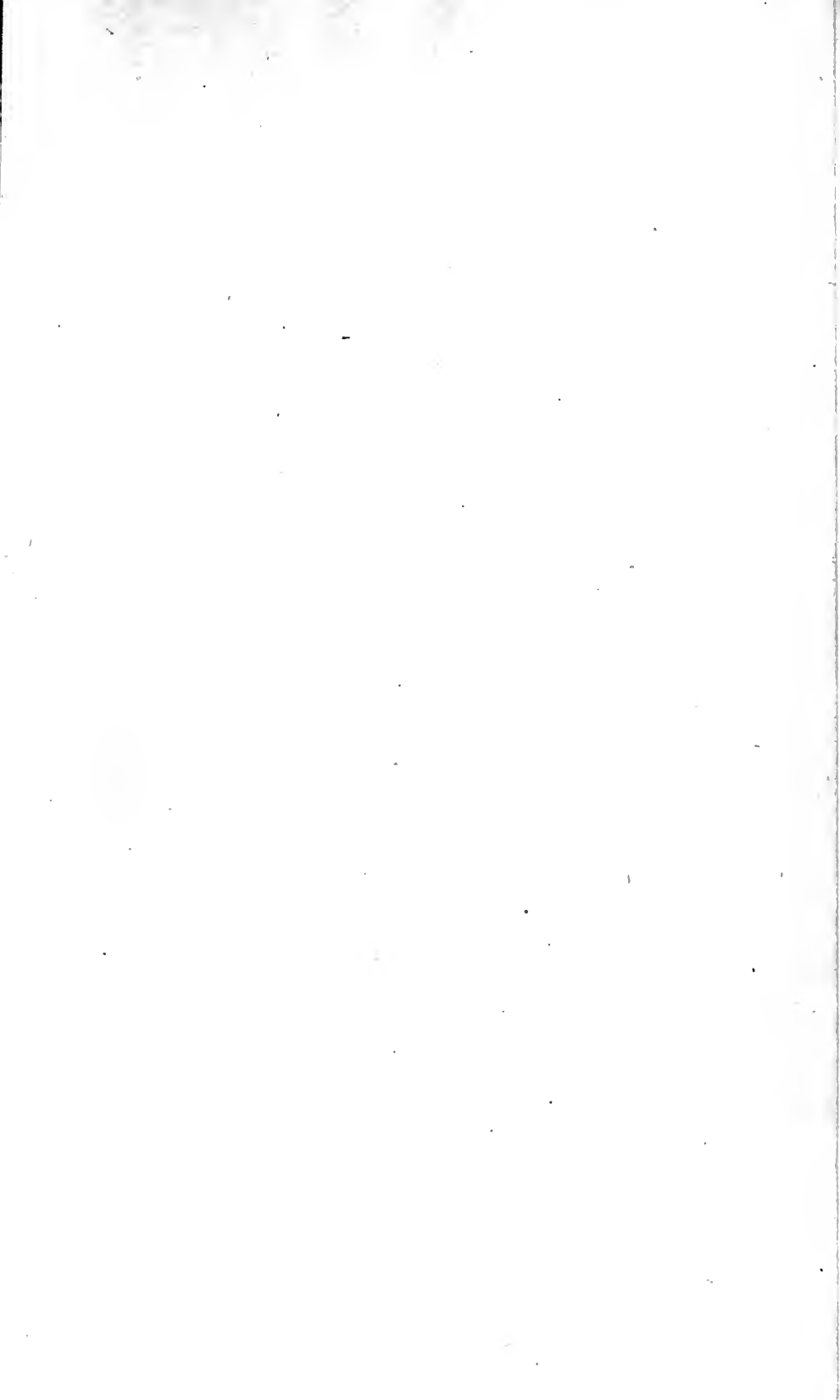
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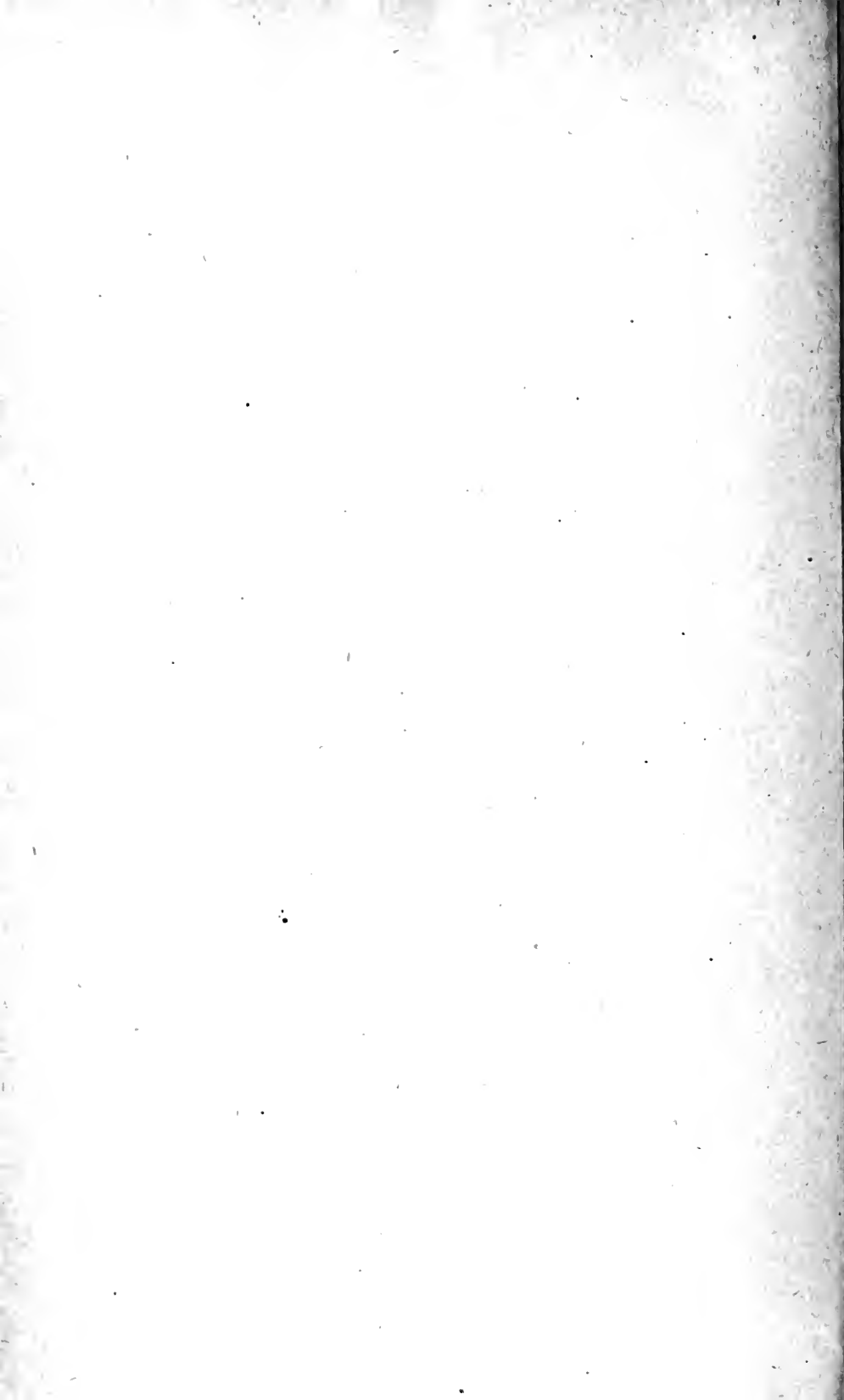
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